ANNUAL REPORT 2024

LAPORAN TAHUNAN

DUTY FREE INTERNATIONAL LIMITED

(200102393E)

CONTENTS

Corporate Profile and **OUR CORE BUSINESS**

Duty Free International Limited ("DFI" and together with its subsidiaries, the "Group"), one of the largest duty free trading groups in Malaysia, has established "The Zon", a premium travel retail brand strategically located across Peninsular Malaysia. A duty free retail specialist with over 45 years of experience, The Zon has extensive presence at all leading entry and exit points, at international airport, seaport, international ferry terminals, border towns and popular tourist destinations.

DFI has created and defined its own unique and exclusive travel retail concept that offers travellers an extensive premium selection of international brands - imported duty free beverages, tobacco products, chocolates and confectionary products, perfumery, cosmetics and souvenirs. DFI's duty free retail outlets and product mix are individually tailored to serve travellers' preference at every entry and exit point.

DFI's core value is to provide travellers with an exclusive duty free shopping experience beyond expectations by having the highest standards of customer service, retail execution and exquisite product offering. To ensure that DFI delivers the highest standards of customer service, the Group continuously reviews and develops its core propositions to meet and manage the ever-changing market trends and consumer demands.

In addition to the Group's trading of duty free goods and non-dutiable merchandise, DFI owns the Black Forest Golf and Country Club and an oil palm plantation. The combined land mass of the sprawling 18-hole Golf and Country Club and oil palm plantation assets adds up to more than 700 acres, all of which are strategically located near the Malaysia-Thailand border at Bukit Kayu Hitam.

Our PRESENCE

As at 4 June 2024

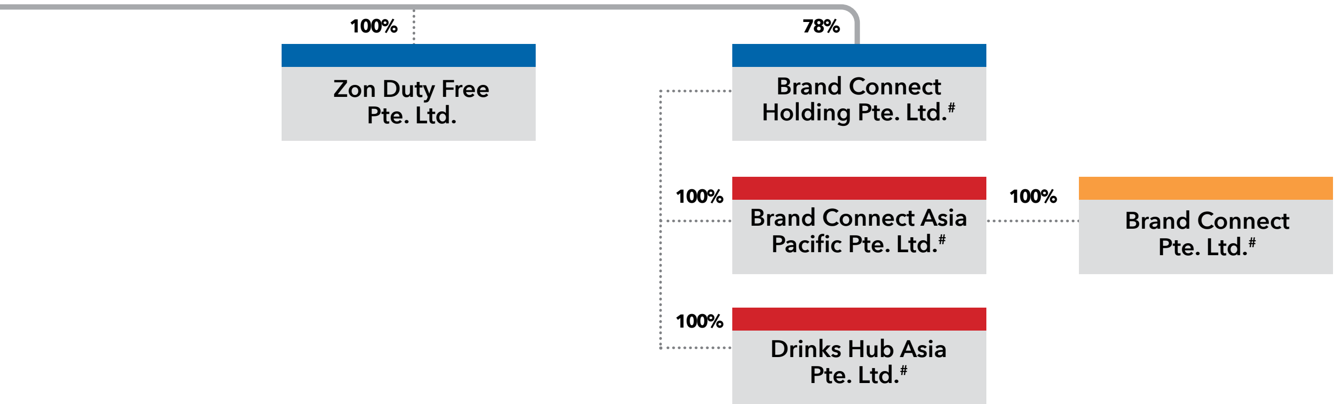
Corporate **STRUCTURE**

As at 4 June 2024

DUTY FREE INTERNATIONAL LIMITED (200102393E)

- 100% **DFZ Capital Sdn. Bhd.**
  - 100% Selasih Ekslusif Sdn. Bhd.
  - 100% Winner Prompt Sdn. Bhd.
  - 100% DFZ Trading Sdn. Bhd.
    - 100% DFZ Duty Free Supplies Sdn. Bhd.
    - 100% Jasa Duty Free Sdn. Bhd.
    - 100% Zon Emporium Sdn. Bhd.
    - 100% Jelita Duty Free Supplies Sdn. Bhd.
    - 100% DFZ Duty Free (Langkawi) Sdn. Bhd.
    - 100% Cergasjaya Sdn. Bhd.
    - 69.89% DFZ (M) Sdn. Bhd.
    - 51% Melaka Duty Free Sdn. Bhd.
    - 29.30% DFZ Emporium Sdn. Bhd.
    - 28.60% Wealthouse Sdn. Bhd.
  - 69.90% Emas Kerajang Sdn. Bhd.
  - 69.80% Seruntun Maju Sdn. Bhd.
- 100% **Orchard Boulevard Sdn. Bhd.**
  - 100% Tenggara Senandung Sdn. Bhd.
  - 100% Kelana Megah Sdn. Bhd.
  - 100% Cergasjaya Properties Sdn. Bhd.
  - 100% Black Forest Golf And Country Club Sdn. Bhd.
  - 100% Gold Vale Development Sdn. Bhd.
  - 100% DFZ Asia Sdn. Bhd.
    - 1% PT DFZ Indon
  - 99% PT DFZ Indon
- 100% **Darul Metro Sdn. Bhd.**
  - 100% Binamold Sdn. Bhd.

As at 4 June 2024



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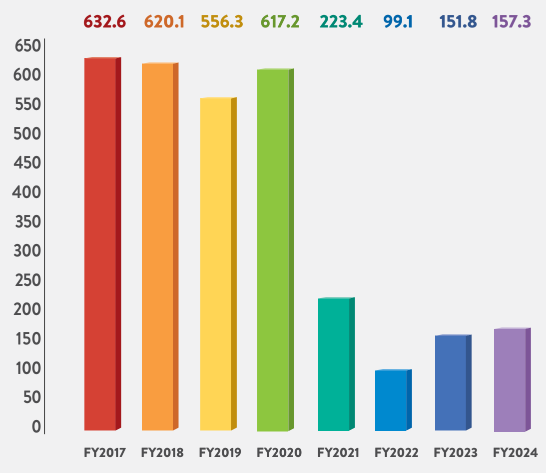
Financial **HIGHLIGHTS**

Year ended 28/29 February

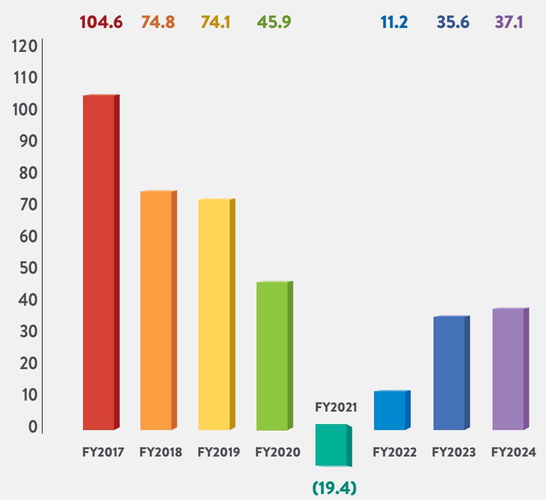
REVENUE (RM'MILLION)

CAGR: -17.50%



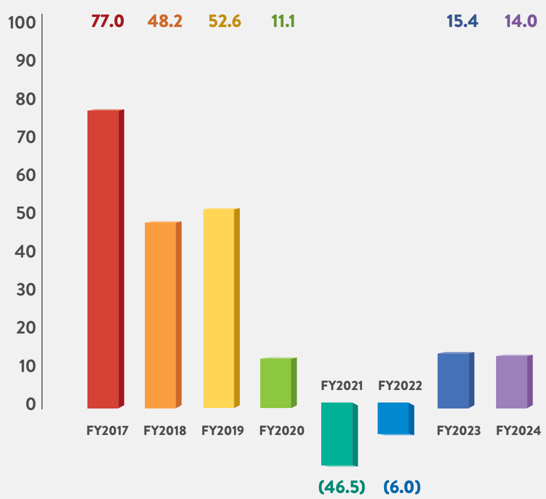
EARNINGS BEFORE INTEREST, TAX, DEPRECIATION AND AMORTISATION (BEFORE EXCEPTIONAL ITEMS) (RM'MILLION)

CAGR: -12.19%

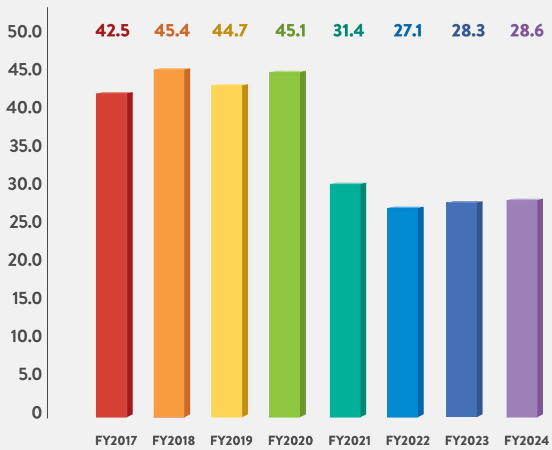


PROFIT AFTER TAX (RM'MILLION)

CAGR: -19.06%



NET TANGIBLE ASSETS PER SHARE (RM SEN)

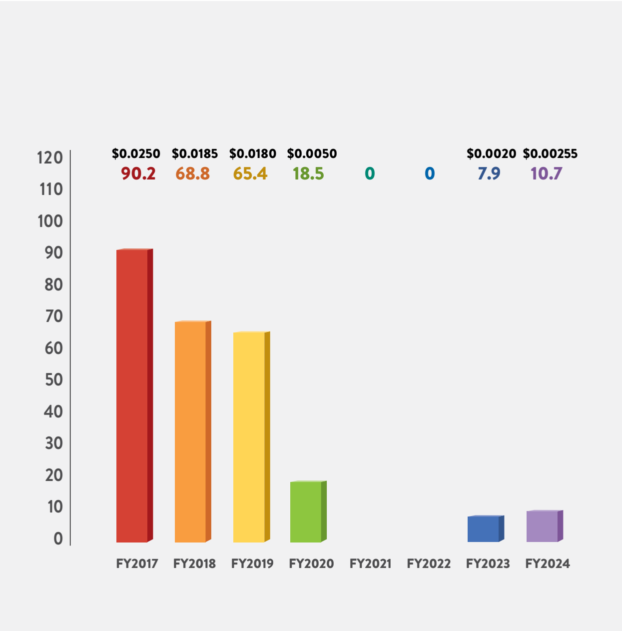


Financial **HIGHLIGHTS**

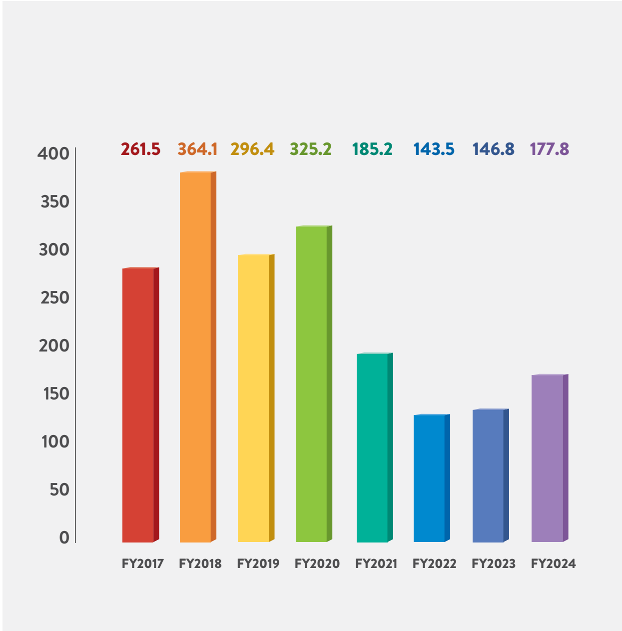
Year ended 28/29 February

DIVIDEND PAYOUT (RM'MILLION)

■ DIVIDEND PER SHARE IN SGD

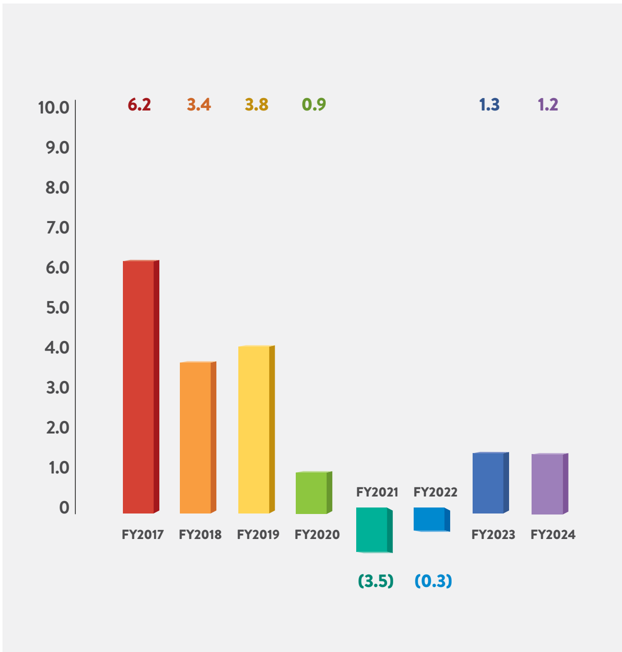


CASH AND CASH EQUIVALENTS (RM'MILLION)



REVENUE BY OPERATING SEGMENTS (RM'MILLION)

BASIC EARNINGS PER SHARE (RM SEN)



Chairman's **MESSAGE**

DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Duty Free International Limited ("DFI" or "Company", and together with its subsidiaries, the "Group"), I am pleased to present to you the annual report for the financial year ended 29 February 2024 ("FY2024").

ECONOMIC AND BUSINESS OVERVIEW

In 2023, the global economy continued to face a series of challenges. High interest rates, elevated inflation, slowing global trade, and geopolitical tensions created a high level of uncertainty and weighed down on global growth during the year. Despite the challenging global conditions, Malaysia's economy continued to expand, growing by 3.7% in 2023 (2022: 8.7%). The more moderate growth also reflected normalising conditions following the economic rebound in 2022, which was supported by the reopening of the economy and sizeable policy measures. During the year, Malaysia's economy was supported by resilient domestic demand and further recovery in tourism activities. Labour market conditions improved as the unemployment rate declined to its pre-pandemic level. Employment continued to grow amid ongoing economic expansion. These improvements provided a lift to Malaysian household spending. Rising tourist arrivals also boosted Malaysia's tourism sector and supported domestic businesses.[1]

Amidst the challenging business conditions, the Group remains steadfast and is dedicated to sustaining the Group by employing disciplined strategies to manage costs and safeguard cash reserves. This not only maintains our financial stability but also prioritizes the well-being of our employees and the communities we serve. Our focus remains on fortifying capital and liquidity buffers to bolster resilience against market uncertainties and challenges, while delivering long-term value to shareholders.

FINANCIAL PERFORMANCE

I am pleased to inform that despite the challenging economic conditions, the Group has demonstrated resilience and adaptability, achieving a commendable financial performance for FY2024. The Group registered an improved revenue of RM157.3 million, representing an increase of 3.6% or RM5.5 million over the revenue of RM151.8 million for the previous financial year ended 28 February 2023 ("FY2023"). Concurrent with the rise in revenue, the Group achieved a profit before tax of RM18.0 million for FY2024, compared to RM17.4 million for FY2023. However, despite the favorable revenue growth and increased profit before tax, the Group reported a lower net profit of RM14.0 million in FY2024, marking a decline of RM1.4 million from the net profit of RM15.4 million recorded in FY2023. The decrease in net profits for FY2024 was mainly due to increased tax expenses resulting from the complete resumption of business operations at the Group's retail stores. The Group's financial position remains robust, with net assets of RM348.3 million and cash and bank balances of RM185.1 million as at 29 February 2024.

DIVIDEND

The Group declared a total dividend of S$0.00255 per share, amounting to a total payout of S$3.1 million (equivalent to approximately RM10.7 million) for FY2024, which were paid out on 3 November 2023 and 16 February 2024. These payments of dividend translate to a dividend yield of approximately 2.83% based on the closing share price of S$0.090 on 29 February 2024.

OUTLOOK

The Malaysian economy is projected to remain on a steady growth trajectory in 2024, backed by firm domestic demand, primarily through continued expansion in private sector spending. The Ministry of Finance expects growth of the Malaysian

Source:
1 https://www.bnm.gov.my/documents/20124/12142010/ar2023_en_book.pdf

economy to accelerate to 4-5% in 2024 from 3.7% in 2023. However, risks to growth remain tilted to the downside given ongoing external challenges.[2]

In view of the above, the Group anticipates the business environment in which it operates to remain challenging, especially considering the enduring impacts of the post-pandemic landscape. However, our ongoing efforts to seek opportunities, enhance operational efficiency and expanding our range of products and services position us favourably for sustainable growth and achievement. With our focus on strategic planning, resource allocation and cost optimization, the Group is cautiously optimistic that its operations and financial performance will continue to remain positive.

APPRECIATION

On behalf of the Board, I would like to convey our sincere appreciation and gratitude to all our valued shareholders, customers, suppliers, business partners and various government agencies for your unwavering and valuable support, cooperation, trust and confidence in the Group throughout the financial year. I wish to also extend my deepest gratitude to our dedicated team of management and employees for their dedication and support in ensuring the Group business sustainability and navigating through the challenging business environment. Their commitment and hard work play a vital role in steering our Group toward continued success. I would also like to thank my fellow Board members for their continuous dedication, invaluable advice and guidance throughout all these years which has contributed to the Group's ability to achieve sustainable financial stability.

Last but not least, on behalf of the Board, I would like to give a warm welcome to our three new Independent Non-Executive Directors, namely, Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Mr. Derrick Quek Meng Teck, and Puan Haslin binti Osman, who were all appointed to the Board on 2 May 2024. We eagerly anticipate their valuable insights guiding us as we navigate the next chapter of growth and advancement for the Group.

Thank You.

Adam Sani Abdullah
Non-Executive Chairman
Duty Free International Limited

Source:
2 *https://www.sc.com.my/annual-report-2023/capital-market-review-outlook/outlook-for-2024#*

Penyata **PENGERUSI**

PARA PEMEGANG SAHAM

Bagi pihak Lembaga Pengarah Duty Free International Limited ("DFI" atau "Syarikat", dan bersama-sama dengan anak syarikatnya, "Kumpulan DFI"), saya dengan sukacitanya membentangkan Laporan Tahunan bagi tahun kewangan yang berakhir 29 Februari 2024 ("tahun kewangan 2024").

TINJAUAN EKONOMI DAN PERNIAGAAN

Pada tahun 2023, ekonomi global terus menghadapi pelbagai cabaran. Kadar faedah yang tinggi, inflasi yang meningkat, perdagangan global yang perlahan, dan ketegangan geopolitik telah mewujudkan tahap ketidaktentuan yang tinggi dan menjejaskan pertumbuhan global di tahun tersebut. Walaupun dalam keadaan global yang mencabar, ekonomi Malaysia terus berkembang dengan pertumbuhan sebanyak 3.7% pada tahun 2023 (2022: 8.7%). Pertumbuhan yang lebih sederhana ini juga mencerminkan keadaan ekonomi telah kembali normal, berikutan dengan pemulihan ekonomi pada tahun 2022 yang disokong oleh pembukaan semula ekonomi dan langkah-langkah dasar yang besar. Sepanjang tahun tersebut, ekonomi Malaysia telah disokong oleh permintaan domestik yang kukuh dan pemulihan selanjutnya di dalam aktiviti pelancongan. Keadaan pasaran buruh juga bertambah baik dengan kadar pengangguran menurun ke tahap seperti sebelum pandemik. Kadar pengambilan pekerja juga turut bertambah baik dalam perkembangan ekonomi yang berterusan ini. Penambahbaikan ini memberi dorongan kepada perbelanjaan isi rumah di Malaysia. Peningkatan ketibaan pelancong juga merangsang sektor pelancongan Malaysia dan seterusnya menyokong perniagaan domestik.[1]

Dalam keadaan perniagaan yang mencabar ini, kami tetap teguh dan berdedikasi untuk mengekalkan kelestarian Kumpulan DFI dengan menggunakan strategi secara berdisiplin dalam menguruskan kos dan melindungi rizab tunai. Usaha ini bukan sahaja mengekalkan kestabilan kewangan kami tetapi juga mengutamakan kesejahteraan pekerja kami dan komuniti yang kami layani. Fokus kami tetap untuk memperkukuhkan modal dan kecairan Kumpulan DFI bagi meningkatkan daya tahan terhadap ketidakpastian dan cabaran pasaran, disamping memberikan nilai jangka panjang untuk pemegang saham.

PRESTASI KEWANGAN

Saya dengan sukacitanya memaklumkan bahawa meskipun di dalam keadaan ekonomi yang mencabar ini, Kumpulan DFI telah menunjukkan keupayaan dan kebolehsesuaian, dengan mencapai prestasi kewangan yang baik bagi tahun kewangan 2024. Kumpulan DFI mencatatkan peningkatan hasil perolehan sebanyak RM157.3 juta, iaitu peningkatan sebanyak 3.6% atau RM5.5 juta berbanding hasil perolehan RM151.8 juta untuk tahun kewangan sebelumnya yang berakhir pada 28 Februari 2023 ("tahun kewangan 2023"). Seiring dengan kenaikan perolehan ini, Kumpulan DFI mencatat keuntungan sebelum cukai sebanyak RM18.0 juta untuk tahun kewangan 2024, berbanding RM17.4 juta untuk tahun kewangan 2023. Walaupun terdapat pertumbuhan hasil perolehan yang menguntungkan dan peningkatan keuntungan sebelum cukai, Kumpulan DFI melaporkan keuntungan bersih yang lebih rendah sebanyak RM14.0 juta untuk tahun kewangan 2024, yang menunjukkan penurunan sebanyak RM1.4 juta daripada keuntungan bersih RM15.4 juta yang dicatatkan dalam tahun kewangan 2023. Penurunan dalam keuntungan bersih untuk tahun kewangan 2024 ini adalah terutamanya disebabkan oleh peningkatan perbelanjaan cukai, selaras dengan penyambungan semula kesemua operasi perniagaan runcit Kumpulan DFI. Kedudukan kewangan Kumpulan DFI tetap kukuh dengan aset bersih sebanyak RM348.3 juta dan baki tunai dan bank sebanyak RM185.1 juta setakat 29 Februari 2024.

DIVIDEN

Kumpulan DFI mengisytiharkan dividen sebanyak S$0.00255 sesaham, dengan jumlah pembayaran sebanyak S$3.1 juta (bersamaan dengan kira-kira RM10.7 juta) untuk tahun kewangan 2024 yang telah dibayar pada 3 November 2023 dan 16 Februari 2024. Pembayaran dividen ini diterjemahkan kepada hasil dividen kira-kira 2.83% berdasarkan harga penutup saham S$0.090 pada 29 Februari 2024.

Sumber:
1 https://www.bnm.gov.my/documents/20124/12142010/ar2023_en_book.pdf

PANDANGAN DAN HARAPAN

Ekonomi Malaysia dijangka kekal dalam trajektori pertumbuhan yang mantap pada tahun 2024, disokong oleh permintaan domestik yang kukuh, terutamanya melalui pengembangan berterusan dalam perbelanjaan sektor swasta. Kementerian Kewangan menjangkakan pertumbuhan ekonomi Malaysia meningkat kepada 4-5% pada tahun 2024 daripada 3.7% pada tahun 2023. Walau bagaimanapun, risiko pertumbuhan untuk menguncup tetap ada, berikutan cabaran- cabaran luar yang berterusan. [2]

Memandangkan perkara di atas, Kumpulan DFI menjangkakan persekitaran perniagaan akan kekal mencabar, terutama apabila mengambil kira kesan berterusan landskap pasca pandemik. Walau bagaimanapun, usaha berterusan kami untuk mencari peluang, meningkatkan kecekapan operasi dan memperluaskan rangkaian produk dan perkhidmatan kami, telah menempatkan kami dalam kedudukan yang baik untuk pertumbuhan dan pencapaian yang mampan. Dengan tumpuan kami pada perancangan strategik, peruntukan sumber dan pengoptimuman kos, Kumpulan DFI optimis bahawa operasi dan prestasi kewangannya akan terus kekal positif.

PENGHARGAAN

Bagi pihak Lembaga Pengarah, saya ingin menyampaikan penghargaan dan terima kasih yang tulus kepada semua pemegang saham yang dihormati, pelanggan, pembekal, rakan kongsi perniagaan dan pelbagai agensi kerajaan atas sokongan, kerjasama, kepercayaan dan keyakinan yang berterusan dalam Kumpulan DFI sepanjang tahun kewangan ini. Saya juga ingin mengucapkan terima kasih yang tidak berbelah bagi kepada pihak pengurusan dan pekerja kami yang berdedikasi di atas dedikasi dan sokongan mereka dalam memastikan kelestarian perniagaan dan membantu Kumpulan DFI mengharungi persekitaran perniagaan yang mencabar. Komitmen dan kerja keras mereka memainkan peranan penting dalam mengemudi Kumpulan DFI ke arah kejayaan yang berterusan. Saya juga ingin mengucapkan terima kasih kepada ahli-ahli Lembaga Pengarah saya yang lain atas dedikasi yang berterusan, nasihat yang tidak ternilai dan panduan sepanjang tahun-tahun ini yang telah menyumbang kepada keupayaan Kumpulan DFI untuk mencapai kestabilan kewangan yang mampan.

Akhir sekali, bagi pihak Lembaga Pengarah, saya ingin mengucapkan selamat datang kepada tiga Pengarah Bebas Bukan Eksekutif yang baru, iaitu Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Encik Derrick Quek Meng Teck dan Puan Haslin binti Osman, yang semuanya dilantik ke Lembaga Pengarah pada 2 Mei 2024. Kami berharap pandangan berharga mereka dapat membimbing kami mengemudi fasa seterusnya dalam pertumbuhan dan kemajuan Kumpulan DFI.

Terima Kasih.

Adam Sani Abdullah
Pengerusi Bukan Eksekutif
Duty Free International Limited

Sumber:
2 https://www.sc.com.my/annual-report-2023/capital-market-review-outlook/outlook-for-2024#

DATO' SRI ADAM SANI ABDULLAH

Non-Executive Chairman

Dato' Sri Adam Sani Abdullah, a Malaysia Citizen, is the Non-Executive Chairman of the Board. He is a self-made entrepreneur for more than 44 years. In 2000, he acquired a controlling stake in Atlan Holdings Bhd ("Atlan"), and was subsequently appointed as Chairman and Non-Executive Director of Atlan in June 2000 and subsequently re-designated as Executive Chairman on 14 January 2022. Atlan is listed on Bursa Malaysia and its subsidiaries are involved in a wide array of businesses in duty-free trading and retailing, property development, investment and hospitality as well as manufacturing of automotive component parts.

MR LEE SZE SIANG

Executive Director
(Finance and Corporate Services)

Mr Lee Sze Siang, a Malaysia Citizen, is an Executive Director (Finance and Corporate Services) of the Company and is responsible for the Group's financial management and corporate services function. He currently also is tasked with executing strategic business directions set by the Board, and overseeing the operations and business development of the Group. He is presently the Finance Director and an Executive Director of Atlan. He was appointed as the Executive Director of Atlan on 16 June 2000, re-designated as a Non-Executive Director on 27 December 2004 and subsequently re-designated as an Executive Director of Atlan on 8 October 2008. He obtained a Bachelor of Economics degree from Monash University in 1994 and holds a professional qualification from the Australian Society of Certified Practising Accountants. He is also a member of the Malaysian Institute of Accountants. Previously, he was with KPMG, a public accounting firm.

GENERAL TAN SRI DATO' SERI MOHD AZUMI BIN MOHAMED (RETIRED)

Lead Independent Director

General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired), a Malaysia Citizen, joined the Board as an Independent Director and was appointed as the Lead Independent Director on 7 January 2011 and 28 May 2014 respectively. He holds a Master of Science in National Resource and Strategy from The Dwight D Eishenhower School For National Security and Resource National Defense University Washington DC. He also sits on several private companies in the Railway Track Rehabilitation Industry, ie The Klang Valley Double Tracking phase 1 and 2, Construction of Highways, Buildings, Food Security and an International Event Management Company. He remains a member of the Royal Council State of Perak.

DATO' MEGAT HISHAM BIN MEGAT MAHMUD

Independent Director

Dato' Megat Hisham bin Megat Mahmud, a Malaysia Citizen, joined the Board as an Independent Non-Executive Director on 9 July 2013. Dato' Megat holds a Bachelor Degree in Economics (Hons) from University of Malaya and has more than 30 years of experience in the financial and banking sector.

He started his career in Treasury Department of a large local bank in 1980 before moving on to PROTON as the deputy manager of international finance. In 1989 he joined the Amanah Capital Group and spent a decade in Amanah Merchant Bank Berhad, finally holding the position of Deputy General Manager of the Treasury Department. He was transferred within the Group and appointed as the Executive Director of Malaysia Discounts Berhad (Discount House) and subsequently to Amanah Short Deposits Berhad (Discount House). To fulfil the Group's aspiration of establishing a foothold in investment banking, he was tasked to lead the formation and thereafter helmed MIDF Amanah Investment Bank Berhad as it's first Chief Executive Officer in 2005. He served the investment bank for 6 years until his early retirement in 2011.

MR CHEW SOO LIN
Independent Director

Mr Chew Soo Lin, a Singapore citizen, joined the Board as an Independent Director on 26 August 2011. He qualified as an UK Chartered Accountant in 1971 and worked for international audit firms in England and Singapore till 1978. He then joined the Khong Guan group of companies and gained experience managing various food manufacturing and trading companies located all over Asia. He is currently the Executive Chairman of Khong Guan Limited and is also an Independent Director and audit committee member of Asia-Pacific Strategic Investments Limited, MTQ Corporation Limited and Kim Hin Joo (Malaysia) Berhad.

JENERAL TAN SRI DATO' SRI ABDULLAH BIN AHMAD @ DOLLAH BIN AMAD (B)
Independent Director

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Ahmad (B), a Malaysia Citizen, joined the Board as an Independent Director on 2 May 2024. He graduated from Royal Air Force Staff College in Bracknell, United Kingdom in 1982. He holds Master Degree in International Relations and Strategic Studies from University of Lancaster, United Kingdom. Prior to joining the Group, he was an Independent Non-Executive Director of Atlan Holdings Bhd and also a director of several private companies.

MS HASLIN BINTI OSMAN
Independent Director

Ms Haslin binti Osman, a Malaysia Citizen, joined the Board as an Independent Director on 2 May 2024. She holds a Diploma in Stenography from Institut Teknologi MARA (now known as Universiti Teknologi MARA) and has more than 10 years of experience in the human capital management in banking sector until her retirement in 2022. From year 1982 to 2011, she worked as a confidential secretary in several private companies.

MR QUEK MENG TECK, DERRICK
Independent Director

Mr Quek Meng Teck, Derrick, a Singapore citizen, joined the Board as an Independent Director on 2 May 2024. He holds a Master of Science in Financial Management from the University of London and a Bachelor of Science in Finance and International Management (Magna Cum Laude) from New York University, Leonard Stern School of Business. He has over 20 years of experience spanning financial services, real estate and beverage distribution.

He is the current CEO/Founder of two companies, namely The First Pour Pte Ltd and ARK Investment Advisors Pte Ltd, which are involved in beverage distribution and real estate investment respectively. He is also a director of other privately held real estate linked companies. Prior to the start of his entrepreneurial journey, he was a Director of Investments with Merrill Lynch International Bank (Singapore) and started his career as an Analyst with the External Department of the Monetary Authority of Singapore in 2001.

Key **MANAGEMENT TEAM**

MR LEE SZE SIANG

Executive Director (Finance and Corporate Services)

Mr Lee Sze Siang, a Malaysia Citizen, is an Executive Director of the Group. He joined the Group as Executive Director (Finance and Corporate Services) in year 2010 and is responsible for the Group's financial management and corporate services function. He currently also is tasked with executing strategic business directions set by the Board, and overseeing the operations and business development of the Group. Please refer to the profile of Mr Lee set out in the section entitled "Board of Directors" of this Annual Report for more information.

MS TNEH SHU HOAY

Financial Controller

Ms Tneh Shu Hoay, a Malaysia Citizen, is the Financial Controller of the Group. She joined the Group as Assistant Financial Controller on November 2022 and subsequently was promoted to the position as Financial Controller on 9 May 2024.

MR STUART SAW TEIK SIEW

Assistant General Manager – Group Merchandising

Mr Stuart Saw Teik Siew, a Malaysia Citizen, is the Assistant General Manager – Group Merchandising of the Group. He joined the Group in year 2004 and is responsible for the Group's procurement of duty free merchandise.

MS OOI POAY HOON

Senior Manager - Group Merchandising & Marketing

Ms Ooi Poay Hoon, a Malaysia Citizen, is the Senior Manager - Group Merchandising & Marketing of the Group. She joined the Group in year 2022 and is responsible for the Group's procurement for duty free core products and overseeing the activities of the marketing department of the Group.

MS TEE LAY YEN

Senior Manager - Human Resources

Ms Tee Lay Yen, a Malaysia Citizen, is the Senior Manager - Human Resources of the Group. She joined the Group in year 2017 and is responsible for the full spectrum of Group human resources functions including planning, execution of recruitment and retention strategies, training & development, employee relations, performance management, compensation and benefits and payroll administration.

She is also responsible for developing and maintaining a productive workforce to support the Group's business operations.

MR NG CHUN HOW

Group Manager – Administration & Logistics

Mr Ng Chun How, a Malaysia Citizen, is the Group Manager-Administration & Logistics of the Group. He joined the Group in year 1997 and is responsible for the Group's administration and logistics.

BOARD OF DIRECTORS

Dato' Sri Adam Sani bin Abdullah
(Non-Executive Chairman)

Mr. Lee Sze Siang
(Executive Director)

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

Dato' Megat Hisham bin Megat Mahmud
(Independent Director)

Mr. Chew Soo Lin
(Independent Director)

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

Ms. Haslin binti Osman
(Independent Director)

Mr. Quek Meng Teck, Derrick
(Independent Director)

AUDIT COMMITTEE

Dato' Megat Hisham bin Megat Mahmud *(Chairman)*
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)
Mr. Chew Soo Lin
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
Ms. Haslin binti Osman
Mr. Quek Meng Teck, Derrick

NOMINATING COMMITTEE

General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) *(Chairman)*
Dato' Sri Adam Sani bin Abdullah
Mr. Chew Soo Lin
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
Mr. Quek Meng Teck, Derrick

REMUNERATION COMMITTEE

General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) *(Chairman)*
Dato' Sri Adam Sani bin Abdullah
Dato' Megat Hisham bin Megat Mahmud
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)
Ms. Haslin binti Osman

COMPANY SECRETARY

Ms. Thum Sook Fun

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PARTNER-IN-CHARGE

Ms. Hah Yanying
(Date of appointment: 1 March 2023)

PRINCIPAL BANKERS

Affin Bank Berhad
Alliance Bank Malaysia Berhad
Bank of China (Malaysia) Berhad
Citibank Berhad
CIMB Bank Berhad
DBS Bank Ltd
Deutsche Bank AG
Industrial and Commercial Bank of China (Malaysia) Berhad
Malayan Banking Berhad
United Oversea Bank Limited


ORIGINS
CLINIQUE
CLARINS
BIOTHERM
KOUROS
LANCOME


Kisses
KitKat
TOBLERONE

CONTENTS

BOARD OF DIRECTORS STATEMENT

The Board of Directors ("Board") of Duty Free International Limited ("DFI") and its subsidiaries ("the Group") are pleased to present its seventh annual Sustainability Report for the financial year ended 29 February 2024 ("FY2024").

Sustainability has emerged as a central focus within the duty-free retail sector. The evolving preferences of consumers, increasingly oriented towards environmentally and socially conscious brands, highlight the necessity for duty-free businesses to integrate sustainability into their fundamental practices. As we navigate this changing landscape, we align these practices with our dedication to responsible business conduct and underscore our commitment to meeting the expectations of conscious consumers while contributing to a more sustainable and ethical global business environment.

This year, we have intensified our sustainability disclosure efforts by aligning them with six capitals, facilitating value-added activities as outputs. We crafted these strategic objectives to generate value for our shoppers, team members, business, environment and the wider community, achieved through sustainable business practices. As one of the region's largest local duty-free retailing Groups, we pledge to stimulate growth in the tourism sector and generate associated economic benefits.

We continue taking pride in offering an exclusive, efficient and seamless shopping experience. Whether through exclusive brands, an extensive product range or personalised service, our steadfast commitment to excellence remains evident. We eagerly anticipate many more years of delivering exceptional travel experiences.

The Board extends its heartfelt gratitude to all business partners, customers, employees, shareholders and other stakeholders for placing their trust in the Group, and we invite all to embark on our journey as detailed in this report.

On behalf of the Board of Directors
Lee Sze Siang
Executive Director

ABOUT DUTY FREE INTERNATIONAL LIMITED ("DFI")

DFI is Malaysia's largest local duty free retailing group, with a strategic presence at all leading entry and exit points in Peninsular Malaysia, including international airport, seaport, downtowns, border towns and popular tourist destinations.

In the financial year ended 29 February 2024 ("FY2024"), the Group operated duty free retail outlets, complexes and trading outlets throughout Peninsular Malaysia, including Johor Bahru, Bukit Kayu Hitam, Senai International Airport, Padang Besar and Langkawi. DFI manages these outlets centrally in Kuala Lumpur and Penang, Malaysia.

DFI's core values provide travellers with an exclusive duty free shopping experience that is beyond their expectations. The Group delivers the highest customer service standards and retail execution. DFI offers an extensive range of premium international brands, including imported duty free beverages, tobacco products, chocolates, confectionery, perfumery, cosmetics and souvenirs.

DFI Group also owns the Black Forest Golf and Country Club and an oil palm plantation strategically located near the Malaysia-Thailand border at Bukit Kayu Hitam, which complements the Group's retailing business.

ABOUT THIS SUSTAINABILITY REPORT

Welcome to DFI's Sustainability Report for the financial year ended 29 February 2024 ("FY2024"), which presents an unwavering commitment to Economic, Environmental, Social, and Governance ("EESG") principles in the dynamic realm of travel and airport retail.

The Group's focus remains unwavering on issues that resonate most with DFI and its diverse stakeholders. EESG engagement is not a mere formality for DFI; it's a cornerstone of the Group's overarching strategy. Embedded in corporate strategy, DFI Group resolutely integrates sustainability into its duty-free retail operations and decision-making processes.

This report covers the Group's activities, performance highlights and strategic approach, offering a unique perspective on sustainability within the vibrant duty free retail space.

REPORTING FRAMEWORK

DFI meticulously aligned the disclosure in this Sustainability Report with local and international standards, adhering to the comprehensive guidelines set forth by:

- The Global Reporting Initiative (GRI) Universal Standards
- The Sustainability Reporting Guide outlined in Practice Note 7.6 by the Singapore Exchange

In this report, DFI initiated the expansion of its climate reporting to align with the stipulations of the Singapore Exchange ("SGX"), concurrently advancing efforts towards fulfilling the requirements of the Task Force on Climate-related Financial Disclosures ("TCFD"). This advancement signifies the Group's proactive approach to addressing climate-related considerations and fostering transparent reporting practices.

DFI is committed to proactively addressing global challenges and contributing to achieving the 2030 Agenda for Sustainable Development. Endorsing the 17 Sustainable Development Goals ("SDGs") underscores the Group's dedication to making a meaningful and positive global impact.

REPORTING SCOPE AND BOUNDARIES

This Sustainability Report covers DFI and its subsidiaries, over which it has managerial control. The coverage corresponds to the Corporate Structure on page 4 and 5 of DFI Annual Report 2024.

Unless otherwise indicated, standard disclosures include all operations potentially affecting the Group's performance. Throughout this report, DFI has incorporated consolidated data wherever feasible, aligning with the reporting period of the financial year. Unless explicitly stated otherwise, the outlined boundary extends to all material topics covered in this Sustainability Report. DFI has made minor adjustments to ensure compliance with the latest requirements and to enhance its disclosure.

REPORTING PERIOD

The reporting period covers DFI’s Financial Year 2024 from 1 March 2023 to 29 February 2024. This Sustainability Report includes data and information from past reporting cycles where available. This report is published annually on a timely basis, with the last report released on 1 June 2023.

ACCURACY AND RELIABILITY

The Sustainability Working Group, in collaboration with internal auditors, reviewed and meticulously examined the content of this Sustainability Statement for accuracy before presenting it to the Board of Directors for approval.

Reading this Sustainability Report alongside the DFI Annual Report 2024 will provide a more comprehensive understanding of DFI’s sustainability performance. The combined insights from both reports provide a holistic overview of sustainability initiatives and achievements.

FEEDBACK

DFI values stakeholders’ input on its sustainability initiatives, as it helps enhance the Group’s future sustainability reporting and overall performance. If you wish to connect with us, please get in touch at office@dfi.com.sg. Your feedback is important to us.

ELEVATING SUSTAINABILITY IN TRAVEL AND RETAIL EXPERIENCES

Sustainability has emerged as a pivotal focus within the duty-free retail sector. The changing landscape of consumer preferences, distinctly inclined towards environmentally and socially conscious brands, underscores the imperative for duty free businesses to integrate sustainability into their core practices. This shift in consumer behaviour reflects heightened awareness of environmental and social issues and signifies a growing demand for responsible and ethical business conduct.

Mitigating carbon footprints, utilising eco-friendly packaging and championing fair labour practices are a part of reshaping the group's operational frameworks. Supply chain efficiency, sustainable store practices, active involvement in eco-friendly initiatives and unwavering commitment to ethical business standards are now intrinsic elements of DFI Group's value proposition. As DFI navigates the evolving landscape, these practices align with the Group's dedication to responsible business conduct and reinforce its commitment to meeting the expectations of conscious consumers and contributing to a more sustainable and ethical global business environment.

As consumer industry trends evolve, the Group's strategic focus areas change to stay abreast of the dynamic landscape. Currently, DFI Group's key focus areas encompass:

DFI's Key Focus Areas

Carbon Neutrality	Implementing measures to minimise carbon emissions and achieve carbon neutrality through green practices and renewable energy adoption
Ethical Conduct	Ensuring products are sourced ethically and upholding stringent ethical behaviour throughout our operations
Circular Economy Initiatives	Embracing circular economy principles to minimise waste and optimise resource use
Eco-friendly Packaging	Prioritising sustainable packaging solutions to reduce environmental impact
Consumer Education	Continuously educating shoppers on sustainable choices and practices
Digital Innovation	Leveraging technology to enhance sustainable efforts, including supply chain transparency and eco-friendly shopping experience
Community Empowerment	Actively engaging in initiatives that empower and benefit local communities
Inclusive and Dynamic Workplace	Fostering diversity, equity, and a vibrant work environment

This proactive approach ensures that DFI adapts to changing consumer expectations and leads in advancing sustainability within the duty free retail industry. DFI invites you to explore its progress under each focus area detailed in this report.

SUSTAINABILITY GOVERNANCE

DFI's top leadership manages its sustainability governance and is responsible for formulating and executing its EESG strategy. The Board of Directors holds the paramount authority for EESG-related decisions, assuming the ultimate responsibility and oversight for sustainability initiatives. This governance model ensures a comprehensive and strategic approach to embedding sustainable practices throughout the organisation.

The Executive Director leads the execution of the sustainability strategy with active involvement from the Sustainability Working Group ("SWG"). The SWG manages day-to-day sustainability initiatives, ensuring that core business functions can fulfil their plans, meet timelines and mitigate risks. The SWG prepares for sustainability issues related to policies, guidelines and strategy.

DFI Sustainability Governance Structure

Board of Directors

- Takes ultimate responsibility for the sustainability direction of the Group
- Integrates sustainability considerations into strategic business decisions
- Approves the overall sustainability-related business strategies

Executive Director

- Steers and oversees the implementation of sustainability-related business strategies
- Approves sustainability targets, key indicators and disclosure
- Evaluates and assesses sustainability risks and opportunities

Sustainability Working Group

- Monitors and manages the sustainability implementation of the Group
- Facilitates and assists the sustainability processes among the critical business functions
- Reports on the performance and targets of sustainability processes and controls

Key Business Functions

- Supports the implementation of sustainability-related business strategies
- Develops plans and timelines for sustainability reporting disclosure

SUSTAINABILITY RISK MANAGEMENT

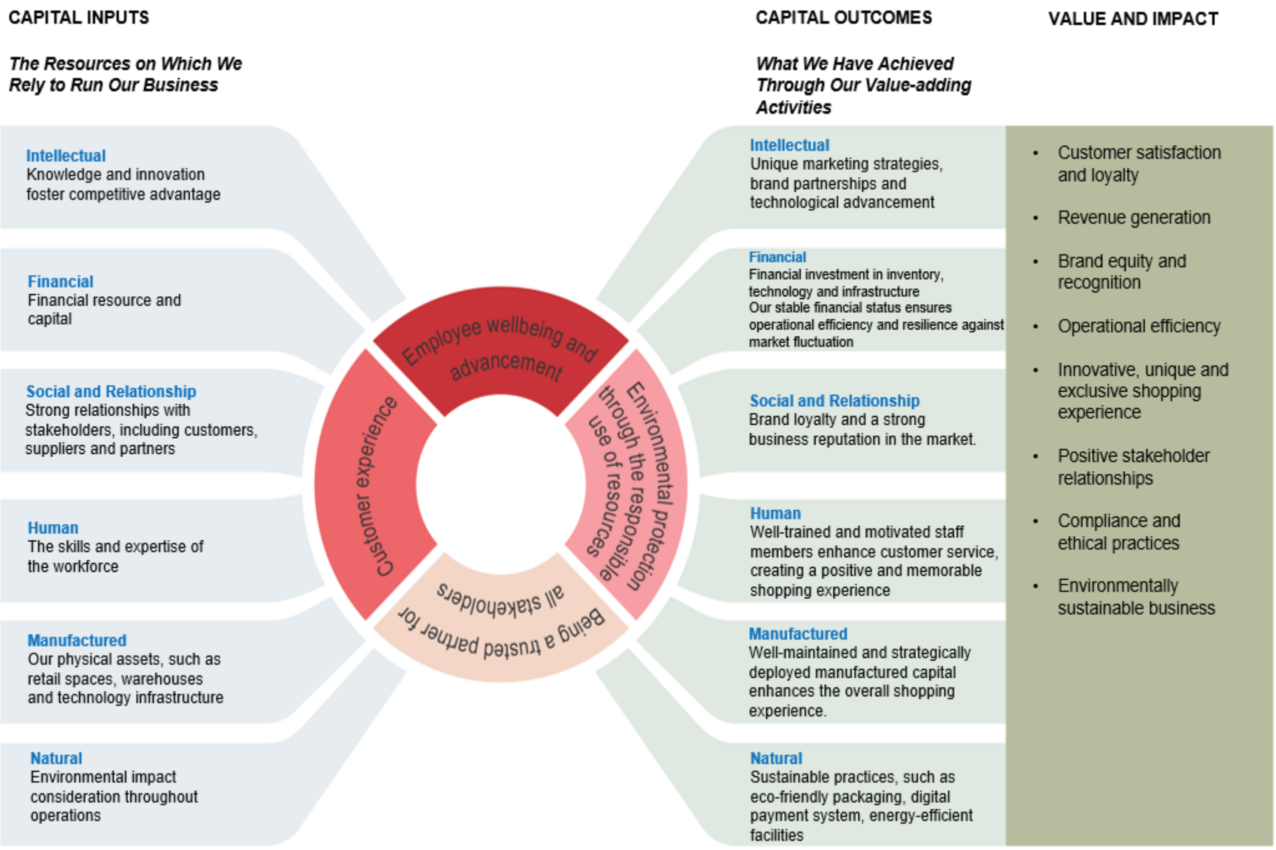
DFI has seamlessly incorporated sustainability risks into its thorough risk management framework. The management's broad, enterprise-wide perspective addresses all risks relevant to the Group; the Board of Directors diligently oversees associated processes. DFI recognises environmental, social and governance risks and opportunities as factors affecting DFI Group financially and non-financially.

DFI's Enterprise Risk Management ("ERM") framework explicitly includes sustainability and climate risks, supplementing the existing focus on corporate, financial and operational risks. The identified risk appetite is consistently reviewed and monitored by designated risk owners and the Risk Department. The Board Risk Management and Sustainability Committee deliberates further on these matters.

Please refer to page 80 to 85 of the Annual Report 2024 for a more detailed understanding of DFI's Risk Management Framework, Board of Directors, Board Committees, Risk Management Committee and risk management functions.

DFI'S VALUE CREATION ALIGNED WITH THE SIX CAPITALS

DFI Group's business model showcases the utilisation of the six capitals as inputs, facilitating value-added activities as outputs. These activities create, preserve or impact stakeholder value, influencing positive outcomes within DFI's operational framework.



DFI Strategic Objectives

Our Shoppers	• Deliver shopping pleasure with a good selection of local and imported products at competitive prices.
Our People	• Provide a conducive work environment to safeguard employee satisfaction and loyalty.
Our Business	• Uphold organisation integrity and operate ethically in accordance with applicable legislation at entry and exit points, including airports, seaports, downtown, border towns and popular tourist destinations.
Our Environment	• Implement stringent measures to minimise supply chain environmental footprint through efficient consumption of natural resources and appropriate waste management.
Our Community	• Nurture a healthy relationship with local community members and contribute to their well-being.

VALUES AND PRINCIPLES

DFI Group maintains a robust framework with policies encompassing anti-bribery, anti-corruption, whistleblowing and conflicts of interest. The Group demands unwavering integrity from employees, business partners, suppliers, contractors and agents. DFI has established the Code of Conduct, Anti-Corruption procedures, and Whistleblowing Policy, outlining prohibited conduct and establishing precise rules regarding charitable contributions, sponsorships, gifts and entertainment expenses. All employees and personnel receive a personal copy of the Code, signifying their commitment to upholding these ethical standards and ensuring compliance.

DFI conducts comprehensive due diligence on external partners to mitigate corruption risks. Within the organisation, DFI's internal audit team systematically assesses adherence to ethical values, such as conducting audits to evaluate compliance with policies, procedures, local laws, and regulations. Periodic audits target high-risk areas, covering financial management, corporate governance, employment matters, supply chain activities, capital expenditure transactions and other operational procedures.

DFI actively investigates confirmed or suspected corruption cases, regularly updating the Board on compliance matters. Delivering in-house training sessions for directors and the management team emphasises the importance of business ethics and ensures strict adherence to Section 17A of the Malaysian Anti-Corruption Commission Act 2009 ("MACC Act").

During the financial year, the Human Resources Department organised two anti-bribery training sessions for operational staff and the management team on 4 January 2024 and 8 January 2024.

GRIEVANCE MECHANISM

DFI has established confidential channels for all internal and external stakeholders to voice concerns about potential improprieties. The Group communicates the whistleblowing policy to all employees and business partners, with every staff member, including management, accountable for reporting suspected wrongdoing through the whistleblowing programme.

Stakeholders can report any concerns related to wrongdoing or corruption directly to the Whistleblowing Committee. The Group strictly prohibits retaliation against employees who make reports in good faith. DFI conducts investigations into all complaints, assessing them based on severity, reliability and credibility. DFI received no complaints or grievances during the financial year ended 29 February 2024.

Duty Free outlet at Pantai Cenang, Langkawi

SUSTAINABILITY TARGET

DFI 's sustainability progress is charted and tracked through a series of value-creation indicators. DFI is committed to setting clear and quantifiable targets where feasible, complemented by qualitative commitments where numbers alone cannot capture DFI's ambitions. Accordingly, DFI has established sustainability targets and consistently evaluates and enhances them on a regular basis.

PILLAR	FOCUS AREA	TARGET	CURRENT STATUS
Economic	Whistleblowing cases	Maintain zero whistleblowing cases	On Track
Environment	Recycle bags	Replace conventional bags with biodegradable or recycled options in the retail business by FY2027	In Progress
	Water consumption (m^3)	Reduce water intensity by 3% (using FY2024 as a baseline) by FY2026	Ongoing monitoring
	Energy consumption (kWh)	Reduce energy intensity by 3% (using FY2024 as a baseline) by FY2026 Exploring further opportunities for renewable energy sources	Ongoing monitoring
Social	Gender diversity	Maintain a gender diversity ratio within the Group of 52% to 55% for male employees and 45% to 48% for female employees. Given the nature of the Group's business operations, which involve tasks such as moving heavy trading merchandise within our premises, our workforce has a slightly higher proportion of male employees.	On Track
	Average training hours per employee	Average 6 hours per employee	On Track
	Data privacy	Maintain zero breaches of customers' information.	On Track

STAKEHOLDER INTERACTION AND DIALOGUE

DFI emphasises stakeholders in the vibrant landscape of duty free retail. Stakeholders span a diverse spectrum: customers, regulators, employees, suppliers, investors, financiers and local communities. The Group actively solicits input, ensuring their perspectives influence retail strategies through ongoing engagement initiatives such as communication channels, surveys and feedback mechanisms. This inclusive approach nurtures operationally aligned transparency and responsiveness. Prioritising their needs and experiences fosters a sustainable and customer-centric retail environment while delivering holistic value to other stakeholders, the growth of the Group and the industry as a whole.

Stakeholder Group	Engagement platforms	Frequency	Interests and Key Concerns	Our Response
Customers	• Corporate website • Feedback forms • Social media • Loyalty programme	• Continuously • Continuously • Continuously • Continuously	• Quality of products and services • Product prices and promotions • Creating a delightful shopping experience	• Ensuring high customer satisfaction through stringent quality control in terms of product range, services, price, presentation and after-sales service • Training floor employees to deliver optimal customer experience

Stakeholder Group	Engagement platforms	Frequency	Interests and Key Concerns	Our Response
Employees	• Annual performance review • Intranet portal • Email communications • Internal meetings	• Annually • Continuously • Continuously • As needed	• Work-life balance and welfare • Career progression and training • Benefits and rewards • Workplace safety	• Establishing a robust learning and development strategy • Enhancing the recognition and retention plan • Delivering regular training for employees of all levels • Conducting health and well-being programmes
Board of Directors	• Board meetings • Email communications	• Quarterly and Annually • As needed	• Regulatory compliance • Economic performance • Corporate governance and risk review	• Presenting regular updates during quarterly board meetings • Transparent reporting on updates and developments
Government and regulators	• Formal meetings • Dialogues	• As needed • As needed	• Regulatory compliance • Economic performance • Societal welfare	• Ensuring strict compliance with all applicable national and international regulations relevant to operations
Investors	• Media release • Website investor relations section • SGX announcements • Dialogues • Annual Reports	• As needed • As needed • Quarterly/as needed • As needed • Annually	• Regulatory compliance • Financial performance • New development of the Group • Return on investment and dividend distribution	• Consistent interaction through Annual General Meetings, conference calls and in-person meetings • Responding to financial and EESG-related questionnaires and surveys
Suppliers	• Meetings and dialogues • Email communications • Trade fairs and events	• As needed • Continuously • Annually	• Responsible and sustainable practices throughout the supply chain • Fair and transparent procurement • Capacity building	• Engaging continuously with suppliers to understand their needs and ensure long-term business relations
Financiers	• Financial reports • Regular meetings	• Annually • As needed	• Compliance with financiers' terms and conditions • Timely and regular updates on financial performance, business strategy and additional investor requirements	• Consistent interaction through in-person meetings andconference calls.
Local communities	• Donations and philanthropic activities • Community investments	• Throughout the year	• Supporting local communities in social, environmental and capacity development • Fostering collaborative partnerships	• Interacting with organisations and communities • Developing holistic and impactful community programmes

BEYOND THE CART: MASTERING MATERIAL MATTERS

Materiality is paramount for DFI, concentrating on factors significantly impacting its operations and stakeholder satisfaction. DFI systematically identifies and prioritises crucial sustainability matters, considering economic, environmental, social and governance impacts. Extensive stakeholder engagement allows DFI to align business strategies with their expectations. This commitment elevates the overall shopping experience and strengthens DFI's dedication to responsible practices, showcasing a harmonious integration of materiality and sustainability in the dynamic realm of duty free retail.

THE METHODOLOGY

In the last quarter of FY2024, DFI hired an external consultant to examine the critical elements of the Group's sustainability initiatives. Intentionally selecting an impartial, external party protected the anonymity of respondents. DFI proactively gathered feedback from representatives across all major stakeholder groups, demonstrating its dedication to conducting a comprehensive and unbiased evaluation of the Group's sustainability efforts.

The survey asked stakeholder representatives to:

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

DFI identified a natural skew in the results due to unequal representation across stakeholder groups. Calculating average scores for each area within every stakeholder group and division rectified the sample imbalance.

DFI extended a similar survey to members of the board of directors, whose views collectively represented DFI as a Group.

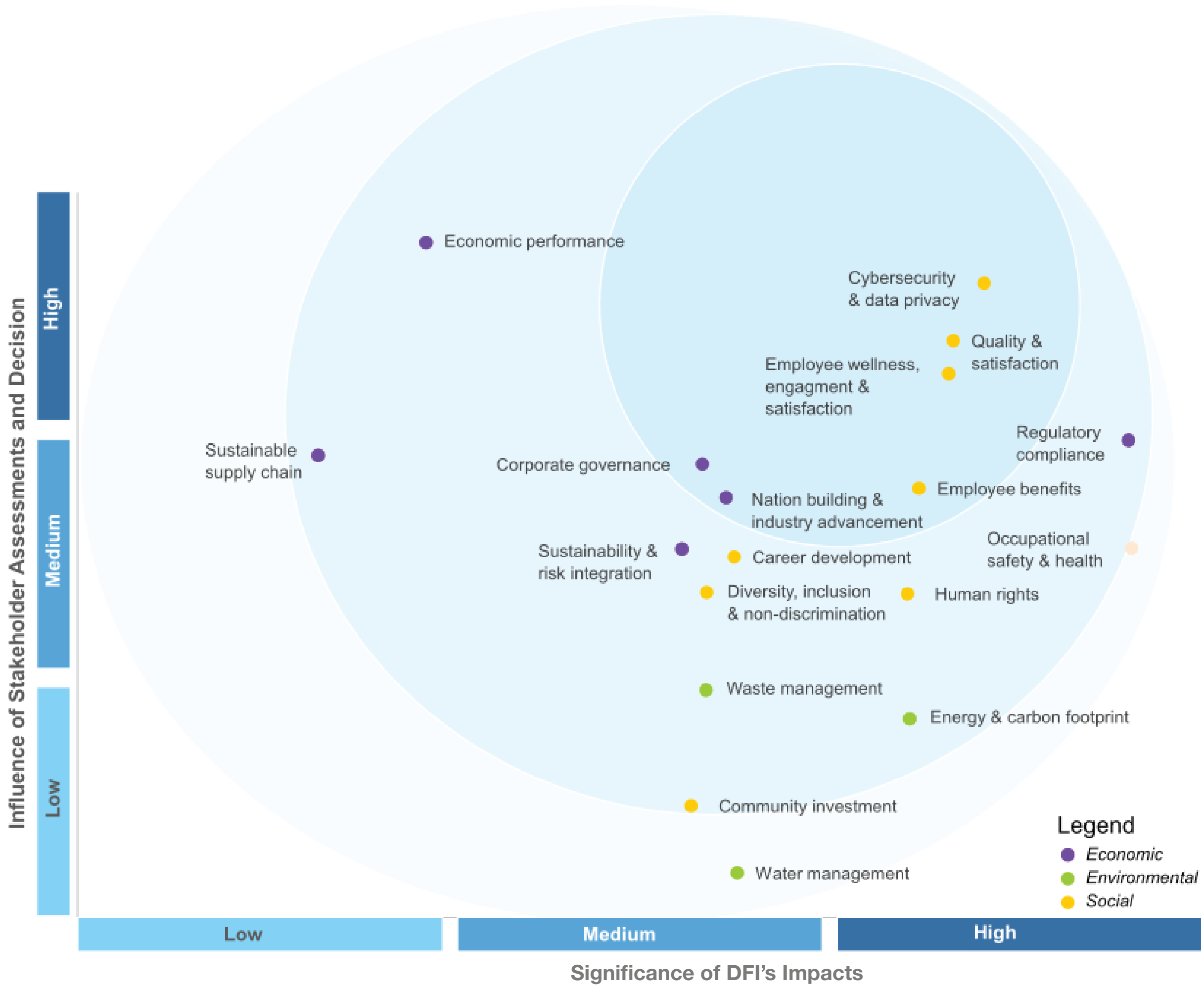
CREATING A GLOBAL IMPACT THROUGH MATERIALITY

A thorough mapping process aligned DFI's materiality considerations with the United Nations Sustainable Development Goals ("UNSDGs") by correlating the identified material aspects in operations with the corresponding UNSDGs. This mapping illustrated how the Group's strategic priorities and sustainability initiatives contribute to the global agenda outlined by the United Nations.

Material Matter	Objectives and Targets	Capitals Affected	Alignment to UNSDG
Economic			
Corporate governance	Managing business strategy and processes to build financial integrity, confidence and superior performance	• Financial capital • Intellectual capital • Human capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Economic performance	Generating sustainable financial and economic returns and creating stakeholder value to safeguard the sustainability of DFI's business	• Financial capital • Manufactured capital • Intellectual capital	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Sustainable supply chain	Encouraging local and sustainable procurement	• Human capital • Social and relationships capital	8 DECENT WORK AND ECONOMIC GROWTH
Regulatory compliance	Complying with all legal, economic, environmental and social legislation while supporting the national agenda	• Financial capital • Intellectual capital • Human capital • Social and relationships capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 17 PARTNERSHIPS FOR THE GOALS
Nation building & industry advancement	Contributing to advancing the nation by boosting economic growth and developing the travel, tourism and retail industries	• Financial capital • Manufactured capital • Intellectual capital	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainability & risk integration	Advocating sustainability as a tool for managing the Company's risk exposure and minimising industry risks and unforeseen costs	• Financial capital • Intellectual capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Environment			
Energy & carbon footprint	Consuming energy efficiently and moving towards a more energy-efficient, renewable future	• Natural capital	7 AFFORDABLE AND CLEAN ENERGY 8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Water management	Using water efficiently and minimising water wastage	• Natural capital	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 14 LIFE BELOW WATER
Waste management	Adopting proper handling of waste for all types of wastage generated by operations	• Natural capital	14 LIFE BELOW WATER 15 LIFE ON LAND
Social			
Employee wellness, engagement & satisfaction	Attracting and retaining employees by creating a great place to work by providing welfare and a healthy lifestyle, and regular engagement with employees	• Human capital • Social and relationship capital	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

Material Matter	Objectives and Targets	Capitals Affected	Alignment to UNSDG
Social (contd.)			
Occupational safety & health	Keeping all workers safe and free from injury and both non-communicable and infectious diseases	• Human capital • Social and relationship capital	3 GOOD HEALTH AND WELL-BEING; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Career development	Providing training and education to employees to expand their knowledge base for career development	• Human capital • Social and relationship capital	4 QUALITY EDUCATION; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Diversity, inclusion & non-discrimination	Promoting diversity and equal opportunities and eliminating all forms of discrimination in the workplace	• Human capital • Social and relationship capital	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Employee benefits	Providing fair and comprehensive employee benefits	• Financial capital • Human capital	5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 10 REDUCED INEQUALITIES
Human rights	Protecting all aspects of human rights, including protecting the indigenous population, staff welfare and security and ensuring there is no child or forced labour	• Human capital • Social and relationship capital	2 ZERO HUNGER; 8 DECENT WORK AND ECONOMIC GROWTH; 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Quality & satisfaction	Ensuring high levels of customer satisfaction and quality throughout operations	• Manufactured capital • Intellectual capital	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Cybersecurity & data privacy	Protecting the company's IT infrastructure, customers' data and the privacy of all stakeholders	• Intellectual capital	16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Community care	Enriching lives in the community in which the Group operates through involvement in society, corporate sponsorship and annual donations to non-profit organisation	• Intellectual capital • Social and relationships capital	1 NO POVERTY; 3 GOOD HEALTH AND WELL-BEING; 5 GENDER EQUALITY; 8 DECENT WORK AND ECONOMIC GROWTH; 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE; 11 SUSTAINABLE CITIES AND COMMUNITIES

DFI Group Materiality Matrix



ECONOMIC VALUE CREATION

Retail Outlet at Senai International Airport, Johor Bahru

Our Management Approach

Responsible business practices and sustainable growth represent DFI's commitment to economic sustainability. The Group's economic endeavours align with sustainable principles and responsible financial stewardship, from revenue generation and employment opportunities to supplier partnership and infrastructure investments. Upholding active corporate governance is integral for long-term benefits. DFI maintains high standards in governance, professionalism, integrity, and commitment at all levels, supported by robust internal controls and risk management systems.

Policies, Principles and Commitments

- Singapore Financial Reporting Standards (FRSs)
- Companies Act, 1967 (the "Act")
- Singapore Code of Corporate Governance
- Requirements by SGX on sustainability disclosures
- Code of Conduct

Monitoring and Control Systems

- Financial reporting
- Internal audit
- Risk assessment
- Compliance training
- Whistleblowing

DIRECT AND INDIRECT ECONOMIC IMPACT

Duty Free International (DFI) is a beacon of economic value creation, embodying strategic initiatives that propel financial growth and contribute to overall economic sustainability. The diverse product range, strategic pricing, and effective marketing maximise revenue streams, promote financial stability and foster growth. DFI Group's operations are pivotal in generating employment opportunities, supporting local communities, and contributing to the economic development of the regions it serves. Collaborative supplier partnerships ensure quality products are available and foster economic growth through mutually beneficial relationships. Infrastructure investments, encompassing retail spaces and technology, stimulate economic activity and elevate the shopping experience.

DFI's retail sales performance contributes to the expansion of Malaysia's Gross Domestic Product (GDP) and supports public finances through corporate income tax payments. Duty free shopping enhances the appeal of travel destinations, fostering growth in the tourism sector and associated economic benefits. DFI's commitment to innovation, sustainability and adaptation to market trends solidifies its position as a key player in economic value creation, contributing to prosperity and resilience in the duty free retail industry.

The following table presents the Group's value distribution to its different stakeholders.

RM ('000')	FY2022	FY2023	FY2024
Economic Value Distributed			
- Employees (Salary and other benefits)	12,043	14,459	15,391
- Government (Income tax)	1,335	2,525	3,700
- Providers of capital (Dividends and finance costs)	6,199	14,521	17,875
- Community (Donations)	250	410	266
Total Economic Value Distributed	19,827	31,915	37,232

For further insights into the Group's economic performance for FY2024, please refer to pages 92 to 163 of DFI's Annual Report FY2024.

SUPPLY CHAIN MANAGEMENT

An unwavering commitment to a distinctive shopping experience complements offering an exclusive range of duty free products. This commitment optimises supply chain efficiency, integrating responsible sourcing, logistics optimisation and ethical labour practices.

The Company's supply-chain efficiency optimisation plan focuses on warehousing facilities with two key strategies:

- Delivering high-volume items directly from the Group's owned private bonded warehouses reduces reliance on external warehouses and cuts handling and transportation costs.

- Introducing an expanded product range, particularly in glassware and household items with direct delivery and drop shipment strategies, enhances efficiency and lowers handling costs.

The plan also involves streamlining distribution centre hubs for better local service, emphasising minimal handling of stocks. Creating a responsive and cost-effective supply chain is the primary objective.

DFI's sustainability initiatives go beyond operational efficiency, delving into the essence of the Group's business model. The Group's responsible sourcing practices uphold supply chain partners' high ethical and environmental standards.

Logistic optimisation minimises DFI's carbon footprint, reducing the overall environmental impact in transportation and distribution. DFI has refined its forecasting and replenishment (F&R) system. Following thorough business analysis, the Group introduced a strategy that scrutinises the end-to-end supply chain, from supplier to shelf and considers the locations of its brand partners and airports. This analysis provides increased capacity for the Group's ever-growing business and allows discussions to minimise logistics constraints with its suppliers.

DFI's commitment to ethical labour practices ensures fair treatment and working conditions for all individuals within the supply chain. This stance demonstrates dedication to social responsibility and contributes to a positive and resilient global business model.

Sustainability Criteria Assessed within the Supply Chain

Environmental Supply Chain

- Climate change
- Energy use
- Water use
- Waste management
- Biodiversity
- Certifications and recognitions

Social Supply Chain

- Non-discrimination
- No child and forced labour
- Fair treatment
- Safety and health
- Certifications and recognitions

Bolstering relationships with suppliers and vendors helped maintain agility in responding to dynamic customer demands and evolving market trends. DFI's focused on achieving a balance between efficiency and flexibility. Throughout the financial year 2024, the Group took proactive steps to broaden its supply chain network by incorporating additional local suppliers and entrepreneurs. This strategic expansion contributes to the Group's operations' efficiency and aligns with its commitment to supporting the local economy. Over 99% of staff at the Group's outlets are nearby residents.

The Group will continue actively engaging in the broader sustainability movement, addressing its immediate operational impact and positioning itself as a responsible leader in the duty free retail industry.

The Group will continue to work closely with key stakeholder groups, such as store customers and brand partners actively seeking opportunities to showcase their products in the Group's outlets. Active involvement in the broader sustainability movement addresses the immediate operational impact and positions DFI as a responsible leader in the duty free retail industry.

ELEVATING INDUSTRY EXCELLENCE TOGETHER

The Group promotes industry advancement through membership in relevant organisations. DFI is a member of Singapore Business Federation. DFI's collective strength propels innovation, fosters collaboration and drives progress. Together, DFI forges a path toward excellence, shaping the industry's future.

DFI actively participates in annual trade events, providing a platform for merchandisers and operations teams to interact face-to-face with brands, retailers, airlines, cruise lines and industry stakeholders. These events, which include themed workshops and networking breaks, keep participants abreast of industry developments and evolving consumer demands.

ENVIRONMENTAL EXCELLENCE

Solar Panel at Bukit Kayu Hitam Outlet

Our Management Approach

As one of the largest local duty free retailing groups, DFI acknowledges global climate concerns and environmental risks. The Group has integrated environmental sustainability into its business strategy, actively managing climate-related risks and optimising resource usage. Alongside stakeholders, DFI continues to enhance its environmental performance while ensuring full regulatory compliance. Emphasising responsible operations, we focus on reducing carbon footprints, minimising waste and promoting eco-friendly initiatives. Enforcing a green supply chain and implementing sustainable practices in inventory management form part of efforts to reduce the environmental impact of operations.

Policies, Principles and Commitments

- Environmental Policy
- Environmental Act and relevant laws

Monitoring and Control Systems

- Energy consumption monitoring
- Solar panel performance tracking system

DFI closely collaborates with its partners to become a more sustainable business by promoting the effective use of resources, especially energy, across operations and the supply chain, minimising unnecessary waste generation and adopting new technologies that reduce environmental impacts.

Given the nature of the retail travel industry, DFI cannot operate independently. The Group occupies landlords' assets, with its environmental efforts influenced by building owners, such as airports. However, DFI is committed to ongoing collaboration with third parties, specifically landlords, brand suppliers and logistics providers, to reduce the business's environmental footprint and introduce circular economies whenever possible.

RESOURCES EFFICIENCY

DFI operates outlets in tightly regulated areas, utilising owned and leased premises. A significant portion of utility consumption, such as water, energy use and sourcing, falls outside DFI's direct control in leased locations as landlords and building construction determine these factors. In such instances, DFI enhances its stakeholder dialogue, primarily with supply chain partners, to identify opportunities for minimising its environmental footprint. Consequently, DFI ramps up its engagement with stakeholders, particularly supply chain partners, to investigate avenues for mitigating its environmental impact in these circumstances.

Energy consumption in owned premises is traditionally high due to retail business needs, requiring optimal in-store lighting and ambient temperature to provide a luxury shopping experience. DFI systematically replaced older light fittings with LED alternatives as needed throughout the year.

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

DFI monitors resources manually, ensuring power supply shutdown in unused operational areas. The individual maintenance teams for each outlet monitor electricity bills each month to identify the following:

- Upward surges and investigate potential areas of wastage
- Variances from established trends in previous billing cycles

Exclusively employing A-rated electronic devices for air-conditioning and refrigeration demonstrates the Group's unwavering dedication to energy efficiency and sustainability.

Actively monitoring water bills helps and promptly initiate repairs when necessary. While DFI's retail business usage is minimal, the Group remains committed to efficient resource management and sustainability practices. DFI is exploring the potential for rainwater collection at its sites for reuse in watering plants and general cleaning.

RENEWABLE ENERGY

DFI actively incorporates renewable energy sources into its portfolio to meet the Group's growing demand. An exemplary step in this direction includes a notable increase in solar energy integration. The installation of solar panels on the rooftops of outlets at Bukit Kayu Hitam and Padang Besar exemplifies this commitment.

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

Annually cleaning solar panels delivers optimal efficiency, preventing dirt accumulation that could impede solar energy generation. Systematically removing any impediments to sunlight absorption ensures that the solar panels operate at their maximum capacity, optimising energy production and contributing to DFI's overall sustainability goals.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

DFI employs a systematic approach to assess risks and opportunities associated with climate change. The Group seamlessly integrated this thorough evaluation into its operational framework, aligning climate-related disclosures and strategies with the recommendations established by the Task Force on Climate-related Financial Disclosures (TCFD). Refining the implementation of TCFD recommendations strengthens DFI's transparency in reporting practices related to climate-related financial disclosures.

Key Areas	Rationale	DFI's Approaches
Governance	DFI's governance around climate-related risks and opportunities	The Board is crucial in overseeing climate-related risks and opportunities by integrating sustainability considerations into its strategic decision-making processes. This role involves identifying and evaluating material EESG factors relevant to DFI's operations and ensuring that effective risk management and mitigation strategies are in place. The Board actively monitors the implementation of these strategies and regularly assesses the company's performance in addressing climate-related challenges and opportunities. DFI's Sustainability Committee is responsible for developing, overseeing and implementing sustainability objectives and strategies. As part of this responsibility, management within the committee assesses and manages risks and opportunities associated with sustainability initiatives by: • Identifying potential risks to the organisation's sustainability goals, such as regulatory changes, supply chain disruptions or reputational issues. • Implementing measures to mitigate these risks. Management within the committee identifies opportunities to enhance sustainability efforts, such as new technologies, partnerships or market trends, and devises strategies to capitalise on these opportunities to further DFI's sustainability agenda.
Strategy	The actual and potential impacts of climate-related risks and opportunities on DFI's business, strategy and financial planning	DFI has integrated climate change as a critical risk within its Enterprise Risk Management Framework, encompassing physical and transitional risks. With a focus on short-, medium- and long-term horizons, DFI conducts thorough assessments to understand the potential impacts on its businesses and its strategy and financial planning. DFI evaluates its strategy's ability to navigate various climate scenarios.
Risk management	DFI's process to identify, assess and manage climate-related risks	DFI proactively addresses climate risks while capitalising on opportunities for sustainable growth and value creation. The Board at DFI has recognised climate change as a material risk issue. The Group identifies, assesses and documents material EESG risks through robust processes, including annual risk assessments. DFI integrates its strategy for managing climate-related risks into the overall risk management structure, ensuring alignment with strategic objectives and enhancing resilience to environmental challenges.
Metrics and Targets	The metrics and targets used to assess and manage relevant climate-related risks and opportunities	DFI has tracked and reduced its carbon emissions and discloses its Scope 1, 2 and 3 Greenhouse Gas ("GHG") emissions. For more information, please refer to the Performance Data Table on page 51 of this Annual Report. The Company is currently developing carbon reduction targets.

CARBON EMISSIONS

DFI systematically discloses and measures its carbon emissions through the globally acknowledged GHG Protocol, a standard set by the World Business Council for Sustainable Development ("WBCSD") and World Research Institute ("WRI"). This framework is the foundation for the Group's emissions accounting, employing the GHG Protocol's classification system distinguishing direct and indirect emissions. This meticulous approach aligns DFI with international best practices, ensuring accurate and comprehensive measurement of its carbon footprint in adherence to widely recognised sustainability standards.

Scope 1 (Direct Emissions)	Scope 2 (Indirect Emissions)	Scope 3 (Other Indirect Emissions)
• DFI derived CO_2 emissions from the consumption of fuel from the emission factor published by the IPCC Guidelines for National Greenhouse Gas Inventories	• DFI derived CO_2 emissions from electricity use using the emission factor published Energy Commission Grid Emission Factor for Peninsular 2021.	• DFI calculates air travel GHG emissions point to point, including the number of employees on board and the distance travelled. Performing separate calculations for business and economy class flights, DFI used online tools derived from the WRI Greenhouse Gas Protocol to calculate the CO_2 emissions from air travel.

For more information on DFI's carbon footprint data, please refer to the Performance Data Table on page 51 of this Annual Report.

WASTE AND RECYCLING

Waste generated at DFI's outlets primarily comprises packaging materials, such as cartons, plastic bags and paper boxes. This waste is often reused and recycled or responsibly managed through collaboration with vendors overseeing their disposal. Considering the nature of DFI's retail business operations, the Group has evaluated that the volume and impact of general waste generated are minimal, thereby not significantly affecting its operational efficiency, environmental footprint or financial performance.

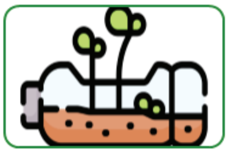
The Group actively promotes recycling throughout its processes, encouraging customer participation and emphasising the reduction of single-use plastic to minimise environmental impact. Engaging with employees, supply chain partners and customers fosters a collective responsibility for creating a more sustainable and eco-friendly environment.

Reduce

- DFI Group reduces materials used and waste generated, such as paper. DFI introduced local paper reduction initiatives such as double-sided printing, storing documents digitally, and printing only when necessary.

Reuse

- DFI Group minimises disposables and reuses packing materials, cartons and pallets used to transport and protect products.



Repurpose

- DFI Group repurpose and upcycles materials that have lost their functionality.

Recycle

- DFI Group makes a concerted effort to recycle waste.
- Paper and plastic items eligible for recycling undergo a segregation process
- Packaging materials at the Group's outlets, comprising cardboard, paper, plastic film, plastic consumables and wood, are sorted into different containers and sent for recycling.

GREEN INITIATIVES

Recycle Back Walls and Gondolas

Retaining and reusing back walls and gondolas from one outlet to another, as needed, aligns with both environmental and economic objectives. This practice reduces the demand for new resources and minimises the environmental impact of manufacturing new fixtures and fittings.

Minimise Printing

Printing Minimisation Initiatives

Warehousing processes	• Streamlined through cloud-based information sharing by reducing traditional email, printing and documentation tracking, which saves money, allocates resources efficiently and decreases environmental impact.
Employees	• Encouraged to communicate digitally, explore alternative solutions to reduce printing and utilise technology for online meetings and presentations.
Printing practices	• Optimised by defaulting to duplex printing, favouring black and white printing and discouraging unnecessary large printouts
Centralised printing	• Streamlined digital document management to control and monitor printing volumes and integrate e-signature solutions

Recycle bags

Depending on their spending and product purchases, DFI provides plastic, recycled and paper bags to its retail customers. However, the Group is exploring the possibility of exclusively offering biodegradable or recycled bags for its retail business by assessing the monthly volume of bags used and the types and sizes required for different products. The Group aims to fully replace conventional bags with biodegradable or recycled options in its retail business by FY2027.

EMPOWERING PEOPLE, ENRICHING SOCIETY TOGETHER

DFI is committed to fostering sustainability that transcends borders. DFI's focus extends beyond retail excellence, prioritising meaningful impact on local communities. The Group's dedicated approach involves empowering individuals within these communities, fostering societal enrichment and championing overall community growth. Intertwining business goals with a genuine commitment to social responsibility creates a positive and lasting influence.

Our Management Approach

DFI embraces an agile people management strategy in the dynamic retail travel landscape that mirrors the ever-changing industry. Its corporate culture encourages adaptability, collaboration and effective communication that align with the constant movement and evolving market trends. The Group's workforce thrives in an environment that values innovation, reflecting the dynamic consumer behaviour inherent in the travel business. With a commitment to continuous professional development, employee well-being and ethical conduct, the Group navigates the bustling travel retail sector with resilience and a forward-focused approach.

Policies, Principles and Commitments

- Code of Conduct
- Employee Handbook
- Sponsorship Guidelines
- Training policy
- Employment Act and other labour laws
- Quality procedures and certifications
- Standard Operating Procedure (SOPs)

Monitoring and Control Systems

- Employee performance evaluation
- Grievance mechanism
- Employees satisfaction study
- Customer satisfaction survey

JOURNEYING TOGETHER WITH AN ENGAGED WORKFORCE

DFI's working environment values and encourages open communication, creating an engaged atmosphere. The Group celebrates accomplishments openly, sharing its plans transparently and fostering inclusivity. Festive celebrations are not merely events but reflections of the Group's diverse workforce that strengthen community spirit within the workplace.

NURTURING EMPLOYEES' GROWTH AND SUCCESS

DFI is committed to nurturing employee growth through a robust learning agenda, offering programmes to improve current role performance and facilitate professional development for career advancement. Recognising the critical importance of personal development in customer-facing industries, DFI conducts seminars and workshops covering leadership, IT, hospitality and customer service. These initiatives, combined with locally led product training, ensure that DFI employees:

- Are well-attuned to customers' needs
- Understand the company's extensive product range
- Are familiar with the various brands they represent

DFI actively supports and facilitates its employees' pursuit of knowledge and skills through various avenues, including internal, external and online courses. Throughout the year, DFI organised in-house training and development programmes, such as Exceptional Customer Service, Customs Compliance & Liaison Briefing, new product training and software workshops. DFI also supports employees by attending external training programmes conducted by experts. Examples of these sponsored sessions include Kursus Ejen Kastam (KEK), Fire Safety Seminar and Goods Driver License (GDL) training. These initiatives are integral to the Group's commitment to fostering a skilled and well-rounded workforce, equipping employees with the knowledge and expertise needed to excel in their roles.

DIVERSITY AND INCLUSIVITY

Diversity is pivotal in driving the Group's strategy, particularly given DFI's presence in the industry's multinational and multicultural landscape. Operating in international airport, seaport, international ferry terminals, border towns and tourist destinations, DFI interacts daily with diverse customers, suppliers and colleagues of various nationalities.

DFI's inclusive corporate culture celebrates diversity across gender, age, race, culture and creed. For a detailed overview of DFI's diversity and workforce balance, please refer to the group performance data table on page 51 to 54 of this Annual Report.

NON-DISCRIMINATION AND SEXUAL HARASSMENT

DFI promotes a workplace environment free from discrimination and sexual harassment. The Group's Employee Handbook and Code of Conduct clearly outline strict measures against sexual harassment among employees, emphasising a zero-tolerance stance.

DFI's commitment to non-discrimination is comprehensive, covering every stage of the employment lifecycle, including hiring, treatment, training, promotions, opportunities, growth and compensation. The Group maintains a 1:1 remuneration ratio for men and women, demonstrating fairness and equity. There was no incident of discrimination reported during this reporting period.

OCCUPATIONAL SAFETY AND HEALTH

DFI places paramount importance on health and safety, ensuring that employees receive comprehensive training to prioritise safety measures within the store. Training prioritises accident prevention and emergency response. The Group conducted an in-house Occupational Safety & Health (OSHA) Awareness Programme for its operations team. Furthermore, relevant individuals attended external training sessions on forklift operations and safety.

The retail environment demands employees stand for prolonged periods. DFI introduced ergonomic practices to alleviate discomfort and improve the well-being of employees. Regular breaks and wellness initiatives are fundamental to maintaining a robust and healthy workforce.

DFI also reminds employees to comply with specific safety regulations the landlord sets across airports, seaports, downtown areas and border towns. This versatility is imperative due to the rigorous rules governing DFI's work environments. Essential health and safety training, including induction for new hires and regular employee sessions, develops a comprehensive grasp of policies and procedures. This training is also offered to workers from third-party service providers when required.

DFI conducts regular inspections and maintenance for all electrical and fire emergency systems, encompassing alarms, lights, exit signs, sprinklers, hydrants, risers and hose reel systems. A third-party service and maintenance company routinely inspects the machine room, lifts and escalators to guarantee optimal functionality. In emergencies, DFI promptly responds with appropriate measures, considering shopper safety, the firefighting system and the design of electrical and storage facilities within the store.

Safety Initiatives in FY2024

- Partnered with the local fire department to conduct a Fire Safety Seminar
- Annual premise inspections
- Monthly lifts and escalators inspections
- Firefighting system tests and maintenance
- TNB switchboard inspection and calibration (every 2 years as mandated by the Energy Commission)

DFI's safety commitment extends to visitors and contractors. The Group issues security passes to vendors and mandates using personal protective equipment and safety gear where necessary for precaution. Vendors and contractors must always be accompanied or supervised. Workmen Compensation and Contractor all-risk insurance is mandatory for contractors who do significant work at the premises.

CULTIVATING WELL-BEING: NURTURING A HEALTHY AND FULFILLING WORK ENVIRONMENT

In DFI's unwavering dedication to the holistic well-being of its team, the Group has taken significant strides this year by implementing comprehensive health screenings for all employees in collaboration with local clinics. The programme includes various health assessments such as blood pressure, cholesterol levels, blood sugar and Body Mass Index ("BMI"). Employees are invited for one-to-one consultations with healthcare professionals to discuss their results and receive personalised health advice to ensure optimal health and vitality.

DFI proactively manages overtime and refines working hours to promote a harmonious and sustainable work environment. The Group also supports employee well-being and fosters a positive environment by granting early leave from work on public holidays such as Chinese New Year and Hari Raya. Granting employees additional time for relaxation and preparations helps them celebrate the festivities with their families. These endeavours are integral to DFI's commitment to fostering a vibrant, supportive culture that places a premium on esteemed team members' physical and mental well-being and seamlessly aligns with its sustainability initiatives.

HUMAN RIGHTS

DFI is committed to the highest standards of conduct in business dealings, including International Human Rights Law. DFI summarises its human rights standards in the Code of Conduct. Suppliers must align with these standards and uphold the Group's labour practices and human rights principles.

DFI Principles, Codes and Actions with Regards to Human Rights and Labour

Freely chosen employment	We have zero tolerance for forced, involuntary or exploitative prison, indentured, bonded (including debt bondage), trafficked or slave labour.
Prevention of Child Labour	We have zero tolerance for child labour, defined as work by any person: • Aged less than 15 • Under age for completing compulsory education • Under the minimum age for employment (Whichever is the most stringent in the country of origin)
Working Hours	We comply with local working hours and overtime laws and reduce excessive overtime.
Wages and Benefits	DFI's worker compensation including retirement benefits complies with all applicable wage laws. We adhere to the legally mandated minimum living wages, overtime pay requirements and benefits.
Equality and Non-discrimination	DFI's recruitment and employment practices safeguard against discrimination based on race, colour, religion, age, gender, sexual orientation, marital status, ethnicity or nationality.
Freedom of Association and Collective Bargaining	We comply with local laws on freedom of association and collective bargaining, maintain an open-door policy, and allow workers to openly communicate their ideas and concerns with management regarding working conditions and management practices without fear of intimidation or reprisal.
Health and Safety	We established a Health and Safety Management System and comply with local and international occupational safety and health guidelines.
Talent Development	We offer workers an opportunity to grow, learn new skills and develop.

DUTY-FREE DELIGHT: REIMAGINING TRAVEL RETAIL EXPERIENCES WITH RESPONSIBLE OPERATIONS

As a premier duty free retailer, DFI accommodates a diverse range of travellers by presenting an extensive selection of premium brands and products in a convenient, efficient and exclusive shopping environment. Committed to excellence in duty-free service, the Group guarantees a seamless and delightful shopping journey, keeping pace with evolving technology and shopping patterns that shape the global retail landscape.

Our Promises

Convenience and ease	Placing outlets at strategic exit points and popular tourist destinations across Peninsular Malaysia provides convenience and accessibility to customers. "THE ZON" offers ample parking, creating a welcoming and accessible shopping environment.
Efficient, fast and secure	DFI's retail outlets offer E-wallet and contactless payment options, prioritising security and efficiency while minimising physical contact. The CCTV system at all outlets deters theft, enhances employee safety and allows remote monitoring of customer traffic patterns. In FY2024, DFI invested in cybersecurity software to safeguard information and ensure smooth operations, contributing to enhanced efficiency and security.
Competitive price and reliability	As the leading duty-free retailer in Malaysia with over 40 years of operational experience, we have built a strong reputation for the quality and pricing of goods across all outlets. DFI's Duty Free prices remain consistently below market rates. Competitively priced Duty Paid (DP) goods reinforce "THE ZON's" position as the preferred choice for travellers and shoppers while keeping the business competitive.
Wide product range	We provide diverse product categories such as Confectionery, Fragrances, Spirits, Wine & Champagne, Household Products, Food, Leather, Souvenirs and Fashion. DFI's offerings include modern and premium glassware and a small selection of children's products like soft toys, enhancing the overall product mix diversity. Throughout the year, DFI secured the supply of household products from a major local supplier, including their house brand products in three retail outlets in Bukit Kayu Hitam, Padang Besar, and Pengkalan Hulu. Introducing these highly sought-after products in "THE ZON" outlets provides convenient and hassle-free shopping, particularly as the supplier was previously exclusive to Langkawi.
Exclusive and Premium Quality	DFI's core values offer travellers an exceptional duty-free shopping experience, exceeding expectations through high standards of retail execution and an exquisite product selection. Products primarily come from principal brand owners and appointed regional distributors, ensuring authenticity and allowing DFI to maintain a positive brand reputation while contributing to a sustainable and socially responsible supply chain.

TRANSIT DESTINATION TREASURES: CRAFTING A UNIQUE SHOPPING EXPERIENCE AMIDST TRAVEL

DFI's retail environment epitomises a commitment to luxury and exclusivity, offering a premium experience for travellers. Customers are encouraged to immerse themselves in a world of sophistication and convenience thoughtfully designed to enhance their journey. From exclusive brands to personalised service, the Group's steadfast dedication to excellence shines through, ensuring that duty free shopping remains an exceptional and memorable aspect of customers' travel experiences.

DFI revitalised its store interiors, introducing a modern ambience that curates a lifestyle experience and aligns products with customers' aspirations. Cosy interior design, captivating scents, ambient sounds, and product sampling enhance the shopping experience.

Recognising the nature of duty free shopping, which often occurs between itineraries or during rushed moments, DFI prioritises every aspect of efficiency. Streamlined processes and thoughtfully designed store layouts ensure swift navigation, allowing travellers to find and purchase without unnecessary delays. From quick checkouts to well-organised product displays, DFI understands the value of time in travellers' schedules. DFI makes duty free shopping a convenient, efficient experience that caters to travellers' unique, on-the-go needs.

Store - Well-organised, easy to browse and attractive

- DFI pays special attention to creating a strong sense of place by examining store designs, passenger flow and commercial space allocation.
- The Group's shops are designed as standalone boutiques or integrated shops-in-shops in its general travel retail stores to meet each location's travellers' profile effectively.

Product - Wide range of global brands

- DFI delivers a full range of product categories, including perfumes and cosmetics, food and confectionery, wines and spirits, fashion, leather, tobacco goods, souvenirs and household products.
- DFI is a partner of choice for global brands, allowing them to showcase their products in dedicated retail spaces and mirror their high street image.
- No non-compliance incidents concerning the health and safety impact of the Group's products and services.

Service - Service from the Heart

- DFI delivers outstanding customer service at all outlets by allocating optimal staffing according to store traffic and sales
- Clear focus and targets provided to all staff improve products' selling capabilities.
- Each section within an outlet is dedicated to a product category, with a highly-trained employee stationed to offer expert advice.
- DFI commits to responsible marketing by providing transparent and honest information on promotions, offers and ongoing campaigns. There were no breaches in the Group's marketing communication and information labelling during the year.
- Rewarding customers with THE ZON COMMUNITY CARD which allows customers to indulge in exlusive member discounts, rewards and benefits at THE ZON. Shoppers who spend a minimum of RM200 in a single receipt are entitled to apply for the card.

YOUR REACH OUT, OUR PRIORITY

DFI values all customer feedback and outreach. The Group's commitment to customer engagement is evident through its user-friendly website and a dedicated hotline (Hotline Tol Free: 1 800 888 002). This direct and efficient communication channel allows customers to connect with DFI Group seamlessly. Specifically designed to address customer inquiries, DFI's dedicated service ensures a prompt and personalised response. Whether seeking information, providing suggestions or sharing experiences, DFI's hotline is staffed with knowledgeable professionals who deliver exceptional assistance.

DFI facilitates ongoing communication between customers and the Group's Sales Assistants on the shop floor, seeking feedback on their shopping experience and gaining insights into preferences and needs. Engaging with customers through social media platforms builds meaningful connections and further understanding their preferences.

CYBERSECURITY AND DATA PRIVACY

DFI recognises the importance of safeguarding the privacy of customers' data. DFI complies with data protection laws, including the Personal Data Protection Act, instilling the confidence of customers who entrust the Group with their personal data. DFI regularly reviews and updates its policies, guidelines and processes to comply with applicable global privacy laws.

Robust cybersecurity measures protect the Group's critical assets from cyber-attacks and mitigate their impact. The Group's ICT department consistently delivers cybersecurity prevention updates to all staff.

NAVIGATING TECHNOLOGY INNOVATION AND DIGITAL RISK AT DFI

DFI continues progressing on its digital revolution journey, harnessing technological innovation to enhance efficiency and provide a seamless shopping experience for stakeholders. The Group has broadened its cashless payment options by integrating Alipay, Touch&Go, Grabpay and Boost to facilitate customers' transition to digital transactions.

While embracing digital transformation advantages, the Group remains dedicated to a proactive approach to managing digital risks. Implementing cybersecurity measures and robust data privacy protocols to address potential challenges ensures DFI implements digital initiatives securely and in a trustworthy manner.

MOVING FORWARD

DFI redefined the sustainable duty free shopping paradigm by delivering value to shoppers and the entire stakeholder universe. DFI Group's operations contribute positively to the industry, the environment and the travelling communities it serves.

SUSTAINABILITY DATA PERFORMANCE

Indicator	Unit	FY2022	FY2023	FY2024
Economic				
Economic Value Generated *	RM'000	23,501	50,388	52,731
Employees (Salary and other benefits)	RM'000	12,043	14,459	15,391
Government (Income tax)	RM'000	1,335	2,525	3,700
Providers of capital (Dividends and finance costs)	RM'000	6,199	14,521	17,875
Community (Donations)	RM'000	250	410	266
Total Economic Value Distributed	RM'000	19,827	31,915	37,232

** Represents revenue and other income, net of operating expenses*

Anti-Corruption				
Confirmed incidents of corruption	No.	0	0	0
Total number of confirmed incidents in which employees were dismissed or disciplined for corruption	No.	0	0	0
Total number of confirmed incidents when contracts with business partners were terminated or not renewed due to violations related to corruption	No.	0	0	0
Public legal cases regarding corruption brought against DFI or its employees	No.	0	0	0
Political contributions made	RM	0	0	0
Anti-Corruption Training				
Total number of employees that have received training on anti-corruption	No.	0	0	51
Total number of executive employees that have received training on anti-corruption	No.	0	0	44
Total number of non-executive employees that have received training on anti-corruption	No.	0	0	7
Total number of governance body members that have received training on anti-corruption	No.	0	0	0
Total number of governance body members that could have received training on anti-corruption	No.	0	0	0
Total hours of executive employees that have received training on anti-corruption	Hours	0	0	352
Total hours of non-executive employees that have received training on anti-corruption	Hours	0	0	56
Anti-Corruption Communication				
Total employees that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	34
Total management employees that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	0

Indicator	Unit	FY2022	FY2023	FY2024
Economic (cont'd)				
Total executive employees that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	4
Total non-executive employees that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	30
Total business partners that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	0
Total business partners that DFI's anti-corruption policies and procedures could have been communicated to	No.	0	0	0
Total governance body members that DFI's anti-corruption policies and procedures have been communicated to	No.	0	0	0
Total governance body members that DFI's anti-corruption policies and procedures could have been communicated to	No.	0	0	0
Anti-Corruption Risk				
Percentage of operations assessed for corruption-related risks	%	100	100	100
Supply-Chain				
Proportion of spended on local suppliers	%	21.97%	46.26%	71.48%
Environment				
Water				
Total water consumption	m^3	15,062	14,378	32,683
Energy				
Direct Energy *	GJ	2,859	3,674	3,578
Grid Electricity *	GJ	3,906	7,590	8,393
Renewable Energy	GJ	1,494	1,854	2,653
Grid Electricity	kWh	1,085,000	2,108,241	2,331,436
Renewable Energy	kWh	415,000	515,000	737,000
Total electricity	kWh	1,500,000	2,623,241	3,068,436
Total electricity	GJ	5,400	9,444	11,046
Total Energy	GJ	8,259	13,118	14,624
Energy intensity	KJ/RM Revenue	37	132	93

* *Conversion coefficients for electricity and diesel to Joules are derived from the Malaysia Energy Commission National Energy Balance 2020 Report*

Indicator	Unit	FY2022	FY2023	FY2024
Environment (cont'd)				
GHG Emissions				
Scope 1 Emissions *	tCO_2e	195	250	244
Scope 2 Emissions **	tCO_2e	822	1,598	1,767
Total operating emissions	tCO_2e	1,018	1,848	2,011
Emissions intensity	gCO_2e/RM Revenue	4.56	18.65	12.79
Scope 3: Business travel (air) ***	tCO_2e	3	6	45
Scope 3: Employee commuting ****	tCO_2e	NA	NA	389

* *Scope 1 emissions calculated using IPCC 2006 Guidelines for National Greenhouse Gas Inventories*
** *Scope 2 emissions calculated using the Energy Commission Grid Emission Factor for Peninsular 2021*
*** *Scope 3: Employee commuting was estimated using the Emission Factors From Cross Sector Tools published by the GHG Protocol*
**** *Scope 3: Business travel from the online tools derived from the WRI Greenhouse Gas Protocol*

Indicator	Unit	FY2022	FY2023	FY2024
Social				
Diversity				
Total Headcount	No.	296	294	298
<u>By Gender</u>				
Male	No. (%)	158 (53.4%)	155 (52.7%)	158 (53.0%)
Female	No. (%)	138 (46.6%)	139 (47.3%)	140 (47.0%)
<u>By Age Group</u>				
<30	No. (%)	56 (18.9%)	67 (22.8%)	56 (18.8%)
30-50	No. (%)	164 (55.4%)	152 (51.7%)	159 (53.4%)
>50	No. (%)	76 (25.7%)	75 (25.5%)	83 (27.9%)
<u>By Employment Contract</u>				
Permanent	No. (%)	268 (90.5%)	265 (90.1%)	275 (92.3%)
Contract	No. (%)	28 (9.5%)	29 (9.9%)	23 (7.7%)
<u>By Employment Category</u>				
Executives	No. (%)	83 (28.0%)	78 (26.5%)	82 (27.5%)
Non-executives	No. (%)	213 (72.0%)	216 (73.5%)	216 (72.5%)
<u>By Ethnicity</u>				
Malay	No. (%)	163 (55.1%)	168 (57.1%)	174 (58.4%)
Chinese	No. (%)	79 (26.7%)	71 (24.1%)	66 (22.1%)
Indian	No. (%)	10 (3.4%)	13 (4.4%)	10 (3.4%)
Others	No. (%)	44 (14.9%)	42 (14.3%)	48 (16.1%)
Disabled employees	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)

Indicator	Unit	FY2022	FY2023	FY2024
Social (cont'd)				
By Gender and Age Group for Each Employment Contract				
Permanent				
Female	No. (%)	125 (46.6%)	129 (48.7%)	132 (48.0%)
Male	No. (%)	143 (53.4%)	136 (51.3%)	143 (52.0%)
<30	No. (%)	48 (17.9%)	65 (24.5%)	54 (19.6%)
30-50	No. (%)	156 (58.2%)	144 (54.3%)	158 (57.5%)
>50	No. (%)	64 (23.9%)	56 (21.1%)	63 (22.9%)
Contract				
Female	No. (%)	13 (46.4%)	10 (34.5%)	8 (34.8%)
Male	No. (%)	15 (53.6%)	19 (65.5%)	15 (65.2%)
<30	No. (%)	8 (28.6%)	2 (6.9%)	2 (8.7%)
30-50	No. (%)	8 (28.6%)	8 (27.6%)	1 (4.3%)
>50	No. (%)	12 (42.9%)	19 (65.5%)	20 (87.0%)
By Gender and Age Group for Each Employment Category				
Non-Executive				
Female	No. (%)	99 (46.5%)	101 (46.8%)	100 (46.3%)
Male	No. (%)	114 (53.5%)	115 (53.2%)	116 (53.7%)
<30	No. (%)	55 (25.8%)	63 (29.2%)	52 (24.1%)
30-50	No. (%)	115 (54.0%)	108 (50.0%)	115 (53.2%)
>50	No. (%)	43 (20.2%)	45 (20.8%)	49 (22.7%)
Executive				
Female	No. (%)	39 (47.0%)	38 (48.7%)	40 (48.8%)
Male	No. (%)	44 (53.0%)	40 (51.3%)	42 (51.2%)
<30	No. (%)	1 (1.2%)	4 (5.1%)	4 (4.9%)
30-50	No. (%)	49 (59.0%)	44 (56.4%)	44 (53.7%)
>50	No. (%)	33 (39.8%)	30 (38.5%)	34 (41.5%)
Female Representation in the Management				
Women in Middle Management	%	27.27%	20.00%	20.00%
Women in Senior Management	%	40.00%	45.45%	45.45%

Indicator	Unit	FY2022	FY2023	FY2024
Social (cont'd)				
Director Diversity				
Total number of directors	No.	5	5	5
By Gender				
Male	No. (%)	5 (100.0%)	5 (100.0%)	5 (100.0%)
Female	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
By Age				
<30	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
30-50	No. (%)	0 (0.0%)	0 (0.0%)	0 (0.0%)
>50	No. (%)	5 (100.0%)	5 (100.0%)	5 (100.0%)
By Independence				
Independent	No. (%)	3 (60.0%)	3 (60.0%)	3 (60.0%)
Non-Independent	No. (%)	2 (40.0%)	2 (40.0%)	2 (40.0%)
Turnover				
Total turnover	No. (rate *)	71	71	37
Turnover by Gender				
Male	No. (rate *)	44 (24.8%)	41 (26.2%)	20 (12.8%)
Female	No. (rate *)	27 (12.7%)	30 (14.4%)	17 (8.1%)
Turnover by Age Group				
<30	No. (rate *)	24 (35.0%)	24 (39.0%)	19 (30.9%)
30-50	No. (rate *)	29 (16.8%)	33 (20.9%)	14 (9.0%)
>50	No. (rate *)	18 (22.6%)	14 (18.5%)	4 (5.1%)
Turnover by Employment Contract				
Permanent	No. (rate *)	50 (16.9%)	52 (19.5%)	27 (10.0%)
Contract/Temporary	No. (rate *)	21 (84.0%)	19 (66.7%)	10 (38.5%)
Turnover by Employment Category				
Executive	No. (rate *)	18 (19.1%)	21 (26.1%)	2 (2.5%)
Non-executive	No. (rate *)	53 (23.4%)	50 (23.3%)	35 (16.2%)

** Turnover rate is calculated by dividing the employees leaving by the average number of employees for each category.*

Indicator	Unit	FY2022	FY2023	FY2024
Social (cont'd)				
New hires				
Total new hires	No.	28	70	43
By gender				
Male	No.	11	40	23
Female	No.	17	30	20
By age				
<30	No.	10	31	29
30-50	No.	10	28	14
>50	No.	8	11	0
Corporate Social Responsibility				
Total contribution to non-profit organisations	RM	250,000	200,000	250,000
Training				
Total training hours (Including Directors of the Company)	Hours	1,574	2,630	3,258
Training Hours by Employment Category				
Executive	Hours	438	1,334	1,608
Non-executive	Hours	1,136	1,296	1,650
Training Hours by Gender				
Male	Hours	783	644	1,499
Female	Hours	791	1,986	1,759
Training Hours by Contract				
Permanent	Hours	1,574	2,622	3,142
Contract	Hours	0	8	116
Average training hours per employee	Hours	5	9	11
Health and Safety				
Number of work-related fatalities	No.	0	0	0
High-consequence injuries	No.	0	0	0
Recordable injuries	No.	0	0	0
Recordable work-related ill health cases	No.	0	0	0
Number of employees trained on health and safety standards	No.	0	0	57
Lost Time Incident Rate	Rate*	0	0	0

** Number of lost time injuries in the reporting period / total number of hours worked in the reporting period x 200,000*

Indicator	Unit	FY2022	FY2023	FY2024
Social (cont'd)				
Human rights				
Number of substantiated complaints concerning human rights violations	No.	0	0	0
Data Privacy and Security				
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	No.	0	0	0

Note: Percentages might not total 100% due to rounding. The majority of the Group's retail outlets were closed in FY2022 due to the COVID-19 pandemic. Nonetheless, the shops have since reopened and resumed business operations in the first quarter of FY2023.

GRI CONTENT INDEX

Statement of use	DFI has reported the information cited in this GRI Content Index for its FY2024 Sustainability Report with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARD	DISCLOSURE		LOCATION
GRI 2: General Disclosures 2021	2-1	Organisational details	Front page, 1, 20
	2-2	Entities included in the organisation's sustainability reporting	21
	2-3	Reporting period, frequency and contact point	21-22
	2-4	Restatements of information	21
	2-5	External assurance	22
	2-6	Activities, value chain and other business relationships	20
	2-7	Employees	51-55
	2-8	Workers who are not employees	51-55
	2-9	Governance structure and composition	24, 59-91
	2-10	Nomination and selection of the highest governance body	24, 59-91
	2-11	Chair of the highest governance body	24, 59-91
	2-12	Role of the highest governance body in overseeing the management of impacts	24, 59-91
	2-13	Delegation of responsibility for managing impacts	24, 59-91
	2-14	Role of the highest governance body in sustainability reporting	24
	2-15	Conflicts of interest	26
	2-16	Communication of critical concerns	28-29
	2-17	Collective knowledge of the highest governance body	24-29
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body	24-29, 59-91
	2-19	Remuneration policies	77-80
	2-20	Process to determine remuneration	77-80
	2-21	Annual total compensation ratio	77-80
	2-22	Statement on sustainable development strategy	25-26
	2-23	Policy commitments	25-26
	2-24	Embedding policy commitments	25-26
	2-25	Processes to remediate negative impacts	26-32
	2-26	Mechanisms for seeking advice and raising concerns	28-29
	2-27	Compliance with laws and regulations	26, 34, 38, 42
	2-28	Membership associations	DFI is a member of Singapore Business Federation.
	2-29	Approach to stakeholder engagement	28-29
	2-30	Collective bargaining agreements	Not applicable

GRI STANDARD	DISCLOSURE		LOCATION
GRI 3: Material Topics 2021	3-1	Process to determine material topics	30
	3-2	List of material topics	31-33
	3-3	Management of material topics	31-33
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	35
	201-2	Financial implications and other risks and opportunities due to climate change	39-40
	201-3	Defined benefit plan obligations and other retirement plans	35, 119, 126
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1:1
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	35
GRI 204: Procurement Practices 2016	204-1	Proportion of spended on local suppliers	50
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	49-50
	205-2	Communication and training about anti-corruption policies and procedures	49-50
	205-3	Confirmed incidents of corruption and actions taken	49-50
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	50
	302-2	Energy consumption outside of the organisation	51
	302-4	Reduction of energy consumption	50-51
GRI 303: Water and Effluents 2016	303-5	Water consumption	50
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	51
	305-2	Energy indirect (Scope 2) GHG emissions	51
	305-3	Other indirect (Scope 3) GHG emissions	51
	305-5	Reduction of GHG emissions	51
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	41
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	35-36
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	53
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	44-45
GRI 402: Labour/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	A minimum of one month notice period is given to all affected parties resulting from operational changes

GRI STANDARD	DISCLOSURE		LOCATION
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	44
	403-2	Hazard identification, risk assessment, and incident investigation	44
	403-4	Worker participation, consultation, and communication on occupational health and safety	44
	403-5	Worker training on occupational health and safety	44
	403-6	Promotion of worker health	44
	403-9	Work related injuries	54
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	54
	404-2	Programmes for upgrading employee skills and transition assistance programmes	43
	404-3	Percentage of employees receiving regular performance and career development reviews	100%
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	43, 51-55
	405-2	Ratio of basic salary and remuneration of women to men	43
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	43
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right freedom association and collective bargaining may be at risk	45
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	45
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	45
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes	42, 49
GRI 415: Public Policy 2016	415-1	Political contributions	49-50
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	46
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labelling	47
	417-2	Incidents of non-compliance concerning product and service information and labelling	47
	417-3	Incidents of non-compliance concerning marketing communications	47
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	48

Duty Free International Limited (the "**Company**") and its subsidiaries (together with the Company, collectively the "**Group**") is committed and dedicated to upholding a high standard of corporate governance within the Group. The Group believe that good corporate governance is important that provides the framework for an ethical and accountable corporate government, which will protect and enhance the interests of its shareholders, promote investors' confidence and maximise long-term and return for its shareholders.

This corporate governance report ("**Report**") outlined the Group's corporate governance practices that were in place throughout the financial year ended 29 February 2024 ("**FY2024**") with reference made to each of the principles of the Code of Corporate Governance 2018 ("**Code**"), which forms part of the continuing obligations of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Board of Directors ("**Board**" or "**Directors**") of the Company confirms that, for FY2024, the corporate governance practices in place by the Group are in line with the recommendations of the Code. Where there are deviations from the Code, the Board considered alternative practices adopted by the Group are sufficient to meet the underlying objectives of the Code and appropriate explanations have been provided in the relevant sections.

(A) BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: The company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

The primary role of the Board is to provide effective leadership and strategic direction to protect and enhance long-term value and return to its shareholders and other stakeholders. The Board oversees the business affairs of the Group and is responsible for overall corporate strategy direction/plans including its financial performance and corporate governance practices of the Group as well as to ensure transparency and accountability to key stakeholder groups. Provision 1.1

Apart from its statutory responsibilities, the Board's principal roles and functions are to:

1. set and direct the strategic objectives for the Group which include appropriate focus on value creation, innovation and sustainability;

2. review and approve the Group's strategic plans, key operational initiatives, major investments and divestments and funding proposal;

3. approve the budget including review the operational and financial performance and/or plans of the business;

4. review and approve the quarterly and full year financial results announcements of the Group including annual reports, circulars and/or material transactions (if any);

5. provide guidance in the overall management of the business and operations of the Group;

6. oversee the processes for risk management, financial reporting, compliance and evaluate the adequacy and effectiveness of internal controls;

7. establish objectives and goals for the management of the Company ("**Management**") and evaluate the performance of the Management, as well as approving the recommended framework of remuneration for the Board and key management personnel ("**KMP**") by the Management;

8. consider sustainability issues including environmental and social factors as part of its long-term strategic formulation.

The Directors, in the course of carrying out their duties and responsibilities at all times, exercise due diligence and independent judgement and are obliged to act in good faith and in the best interests of the Group and its Shareholders at all times.

In addressing and managing conflicts of interests, the Directors are required to promptly declare any actual, potential and perceived transactions at a Board meeting or by written notification to the Company Secretary. In addition, the Company has in place procedures for Directors to give general notice of any interests in any corporation or firm, in order to anticipate possible conflicts of interest between the Directors and the Group. This procedure is conducted upon appointment and annually, prompting Directors to update any change in interests and/or confirm its previous disclosures. Where a potential conflict of interest arises, the Director concerned is required to recuse him/herself from discussions and decisions involving the issue of conflict and refrain from exercising any influence over other members of the Board in respect of the issue.

Continuous training for directors and orientations for incoming directors

The Board ensures that incoming new Director(s) is/are given guidance and orientation (including onsite visits its operational facilities, if necessary) to get familiarised with the Group's business including its structure and strategic directions upon their appointment and to facilitate the effective discharge of their duties.

Provision 1.2
Provision 4.5

A formal letter of appointment will be furnished to every newly appointed Director upon his/her appointment explaining, among other matters, his/her roles, obligations, statutory duties and responsibilities as member of the Board.

For newly appointed Director who does not have prior experience as a director of a public listed company in Singapore, the Company will, in addition to the induction as detailed above, arrange for such new Director to attend the SGX-ST's prescribed training courses on the roles and responsibilities of a director of a listed company within one year from the date of his/her appointment to the Board in order to have the relevant knowledge under the Listing Manual and the relevant rules and regulations governing a listed company, unless the Nominating Committee ("**NC**") is of the view that such training is not required because the Director has other relevant experience or knowledge.

During FY2024, no new Director was appointed.

The Directors are also kept abreast of developments which are relevant to the Group, which have important bearing on the Group and the Directors' obligations to the Group, from time to time. Relevant updates or new releases issued by the SGX-ST including the Code or Listing Manual of SGX-ST ("**Listing Manual**") (if applicable) and the Accounting and Corporate Regulatory Authority ("**ACRA**") which are relevant to the Directors or new articles/reports (if any) which are relevant to the Group are circulated to all the directors from time to time. The Group's external auditors also provide periodic briefing to the Audit Committee ("**AC**") on changes or amendments to the accounting standards and their impact on the financial statements, if any.

The Directors are conscious of the importance of continuing education in areas such as legal and regulatory responsibilities and accounting issues, so as to update and refresh themselves on matters that may affect their performance as a Board, or as a member of a Board committee by attending training courses, seminars and workshops as relevant and/or applicable for Directors on such relevant new laws, regulations and changing commercial risks from time to time when appropriate. Such conferences and seminars as well as other training courses will be arranged and funded by the Company for all Directors, if required.

During FY2024, the Directors have attended several trainings and/or seminars, such as Fraud Risk and Enterprise Risk, Anti Bribery and Anti-Corruption Awareness Programme, Mandatory Accreditation Programme Part II – Leading for Impact (LIP), and Environmental, Social and Governance | IFRS S1 and S2: Beyond Compliance, to apprise themselves of relevant updates and other regulatory developments.

All Directors of the Company (except for the newly appointed Directors, namely Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Mr. Quek Meng Teck, Derrick and Ms. Haslin binti Osman) have also attended and completed the mandatory sustainability training on Environmental, Social and Governance Essentials organised by Singapore Institute of Directors in compliance with Rule 720(7) of the Listing Manual. Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Mr. Quek Meng Teck, Derrick and Ms. Haslin binti Osman who were appointed as a director with effect from 2 May 2024 will complete the prescribed training on the roles and responsibilities of a director of a listed issuer and the mandated sustainability training within one year from their date of appointment.

In addition, the Management regularly updates and keep the Directors abreast on the business activities of the Company during Board meetings. Directors will also be given opportunities to visit the Group's operational facilities, if needed and meet the Management so as to gain a better understanding of the Group's businesses.

Matters requiring Board's approval

The Board has adopted a set of internal guidelines setting out matters reserved for the Board's approval. Matters that require the Board's decision or approval are clearly communicated to the Management in writing, which include but not limited to the following: - Provision 1.3

(i) material investments, divestments, joint ventures, acquisitions and/or disposal of assets;

(ii) annual budget;

(iii) quarterly and full-year financial result announcements for release to SGX-ST;

(iv) approval of the annual reports, sustainability reports and/or audited financial statements;

(v) approval of the interested person transactions (as defined under Chapter 9 of the Listing Manual);

(vi) declaration of interim dividends, proposal of final dividends and/or other returns to shareholders;

(vii) convening of general meetings;

(viii) Change of Directors (including the Board Committees) and KMP;

(ix) all capital-related matters including issuance of new shares or changes in the capital of the Company; and

(x) any other matters as prescribed under the relevant legislations and regulations, as well as the provisions of the Company's Constitution ("**Constitution**").

Delegation of authority to Board Committees

To facilitate strategic oversight over the Company and discharge its responsibilities effectively and efficiently, the Board has established a number of Board committees, namely AC, NC and Remuneration Committee ("**RC**") (collectively, "**Board Committees**") and delegated certain functions to the Board Committees. Committees or sub-committees may be formed from time to time to address specific areas as and when the need arises. Provision 1.4

These Board Committees function within clearly defined terms of reference and operating procedures, which are reviewed on a regular basis to ensure their continued relevance. The effectiveness of each Board Committee is also constantly monitored. All the Board Committees, consist of a majority of Independent and Non-Executive Directors ("**Independent Directors**"), are chaired by Independent Director.

The Board accepts that while the Board Committees have delegated power to make decisions, execute actions or make recommendations in their specific areas respectively, the ultimate responsibility for the decisions and actions vests with the Board and the Chairmen of each Board Committee will report back to the Board with its decisions and/or recommendations.

The compositions of the Board Committees for FY2024 are as follows:

Directors	AC	NC	RC
Dato' Sri Adam Sani bin Abdullah	–	Member	Member
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	Member	Chairman	Chairman
Mr. Chew Soo Lin	Member	Member	–
Dato' Megat Hisham bin Megat Mahmud	Chairman	–	Member

Membership of the Board Committees is designed to distribute the responsibilities over the various Board members and to utilise each individual's diversity and experience. The Board reviews from time to time, the committee structure, the membership, their terms of reference, and as and when there are changes to Board composition, and changes are made, where appropriate. Considerations include ensuring there is an appropriate breath of skills and continuity of experience in the respective Board Committees and an equitable and balanced distribution of duties among Board members.

Subsequent to FY2024, the Company has announced the following changes to the composition of the Board Committees which took effect from 2 May 2024:

(a) Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Mr. Quek Meng Teck, Derrick and Ms. Haslin binti Osman have been appointed as member of the AC;

(b) Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) and Mr. Quek Meng Teck, Derrick have been appointed as member of the NC; and

(c) Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) and Ms. Haslin binti Osman have been appointed as member of the RC.

Please refer to the Company's announcement of 24 April 2024 titled "Changes to the Composition of the Board and Board Committees" on the Company's website and SGXNet for further details.

Further details of the duties and functions as well as the composition for the respective Board Committees are provided below in this Report.

Meetings of Board and Board Committees

The Board meets regularly on a quarterly basis. In addition, it holds additional meetings at such other times as may be necessary to address specific significant matters that may arise. The Board and Board Committees' meetings are scheduled well in advance in consultation with the Directors. Provision 1.5

To ensure maximum Board participation, the Constitution and the Term of Reference of the Board Committees have provision for Board and Board Committees' meetings to be held via conference telephone, video-teleconference or similar communications equipment of which all persons participating in the meeting can hear each other, without a director being in the physical presence of another director or directors. Important matters concerning the Group are also put to the Board for its decision by way of written resolutions. Minutes of the Board and Board Committees' meetings are made available to all Board members, if requested and in the absence of any conflict.

Presentations and updates given by key executives at the Board meetings allow the Board to develop a good understanding of the progress of the Group's business and issues and challenges the Group is faced with, as well as promote active engagement between Board members and the key executives. Any risk management or other major issues, that are relevant to the Company's performance or position are also highlighted to the Board.

The attendance record of Directors holding office as at 29 February 2024 at Board and Board Committees' meetings held during the period in which they were Directors in FY2024 are disclosed below: -

Name of Director	No. of Meetings attended / No. of Meetings held			
	Board	**AC**	**NC**	**RC**
Dato' Sri Adam Sani bin Abdullah	5 / 5	–	1 / 1	1 / 1
Mr. Lee Sze Siang	4 / 5	4 / 5*	–	–
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	5 / 5	5 / 5	1 / 1	1 / 1
Mr. Chew Soo Lin	5 / 5	5 / 5	1 / 1	–
Dato' Megat Hisham bin Megat Mahmud	5 / 5	5 / 5	–	1 / 1

** By invitation*

<u>*Access to information*</u>

The Board is provided with complete and adequate information on a timely manner, prior to Board and Board Committees' meetings and kept informed of on-going developments within the Group. Board papers are generally made available to Directors on a timely manner, before the meetings and would include financial management reports, reports on performance of the Group, papers pertaining to matters requiring the Board's decision, updates on key outstanding issues, strategic plans and developments in the Group. This is to enable the Directors to be properly briefed on matters to be considered at the Board and Board Committees' meetings. However, sensitive matters may be tabled at the meeting itself, or discussed without board papers being distributed. If any Director is unable to attend any scheduled meetings, he or she may dial in, or provide any comments to the Chairman of the Board, or the Executive Director. Minutes of the previous meetings are circulated in advance and confirmed at Board meetings. Provision 1.6

In addition, the Management also provides detailed explanation of the board papers, and in respect of budgets and financial results, any material variances between the projections and actual results are disclosed and explained. All Directors have unrestricted access to the Management and are free to request additional information when necessary and Management shall provide the same in order for them to make informed decisions.

The Management and the Company's internal and external auditors, who can provide insight and views on matters under discussion, are also invited from time to time to attend Board or Board Committees' meetings and to respond to any queries that the Directors may have. When circumstances require, the Directors may exchange views outside the formal environment of Board Committees' meetings.

<u>*Separate and independent access to Management and Company Secretary*</u>

The Directors have separate and independent access to the Management and the Company Secretary at all times to address any enquiries. Should the Directors, whether as a group or individually, require independent professional advice, such professionals (who will be selected with the concurrence of the Non-Executive Chairman or the Chairman of the Board Committees requiring such advice) will be appointed at the Company's expense. Provision 1.7

The role of the Company Secretary is clearly defined and includes responsibility for ensuring that Board procedures are followed, and that applicable rules and regulations are complied with. As secretary for all Board Committees, the Company Secretary assists in ensuring coordination and liaison between the Board, the Board Committees and the Management. The Company Secretary assists the Chairman of the Board, the Chairman of Board Committees and the Management in the development of the agendas for the Board and Board Committees' meetings. The Company Secretary, together with other management staff of the Company, also ensures that the Company complies with the applicable statutory and regulatory rules.

The Company Secretary or her representatives administer, attend and prepare minutes of all Board and Board Committees' meetings and assist the Chairman of the Board and the Chairman of the Board Committees in ensuring that proper procedures at such meetings are followed and reviewed so that the Board and the Board Committees function effectively and the relevant requirements of the Companies Act 1967 ("**Companies Act**"), Listing Manual, Constitution and Term of Reference(s) are complied with. During FY2024, the Company Secretary and her representative attended all the Board and Board Committees' meetings, and the minutes of respective meetings are also circulated to the Board for review and approval.

The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

Board Composition and Guidance

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

During the FY2024, the Board comprises the following five Directors, of whom one is Non-Independent and Non-Executive Director, one is Executive Director and the remaining three are Independent Directors: -

Non-Independent and Non-Executive Director

Dato' Sri Adam Sani bin Abdullah (Non-Executive Chairman)

Executive Director

Mr. Lee Sze Siang

Independent Directors

General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) (Lead Independent Director)
Dato' Megat Hisham bin Megat Mahmud
Mr. Chew Soo Lin

The Board recognises that Independent Directors may over time develop significant insights in the Group's business and operations and can continue to provide noteworthy and valuable contribution objectively to the Board as a whole. The independence of the Independent Directors must be based on their professionalism, integrity, objectivity as well as they possess core competencies such as financial, accounting and legal and not merely based on form such as the number of years which they have served on the Board.

The Singapore Exchange Regulation ("**SGX RegCo**") announced on 11 January 2023 that it will limit the tenure of Independent Directors serving on the boards of listed issuers to nine years and remove the two-tier vote mechanism for companies to retain long-serving Independent Directors who have served for more than nine years. Concurrently, the transitional provisions also came into effect on 11 January 2023 ("**Transitional Provision**") to allow issuers to have sufficient time for board appointments. The transitional arrangements apply between 11 January 2023 and the date of the issuers' Annual General Meeting ("**AGM**") for the financial year ending on or after 31 December 2023 ("**Transitional Period**"). During the Transitional Period, Independent Directors whose tenure exceeds the nine-year limit can continue to be deemed independent until the issuer's AGM held for the financial year ending on or after 31 December 2023.

As part of the renewal plan, the NC and the Board have reviewed and appointed the following three new Independent Directors ("**New Directors**") with effect from 2 May 2024: -

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

(ii) Mr. Quek Meng Teck Derrick; and

(iii) Ms. Haslin binti Osman.

The relevant announcements of such appointments of New Directors have been released via SGXNet on 24 April 2024.

In compliance with the amended Rule 210(5)(d)(iv) of the Listing Manual which imposed a hard tenure limit of nine years for Independent Directors, the following changes will take place upon the conclusion of the forthcoming AGM: -

(i) General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) and Dato' Megat Hisham bin Megat Mahmud will resign as Director of the Company upon conclusion of the AGM ("**Outgoing Directors**") and accordingly, they will also relinquish their position in the respective Board Committees; and

(ii) Mr. Chew Soo Lin will cease to be Independent Director and be redesignated as the Non-Independent and Non-Executive Director of the Company upon the conclusion of the forthcoming AGM. He will relinquish his position as member of NC but remains as member of AC in order to fulfil the relevant requirements relating to the AC composition to have at least two AC members have recent and relevant accounting or related financial management expertise or experience in compliance with Provision 10.2 of the Code.

The details on the selection, appointment and re-appointment of Directors are set out under Provision 4.3 in this Report.

Independence of Directors

The NC is tasked to determine on an annual basis and as and when the circumstances require whether or not a director is independent, bearing in mind the provisions set forth under the Rule 210(5)(d) of the Listing Manual and the Provision 2.1 of the Code and any other salient factor which would render a director to be deemed not independent. Provision 2.1

The NC adopts the definition in the Code as to what constitutes an Independent Director. Accordingly, the NC considers an "independent" Director as one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

Based on the annual confirmation of independence and self-declaration submitted by the Independent Directors for FY2024, the NC has reviewed and determined that these Independent Directors are independent in character and judgement and there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement. The Board has accepted the NC's assessment of Directors' independence.

Pursuant to the Transitional Provision, General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired), Dato' Megat Hisham bin Megat Mahmud and Mr. Chew Soo Lin (collectively known as "**Affected Directors**") who have served on the Board beyond nine years from the date of their initial appointment, may remain as Independent Directors until the forthcoming AGM of the Company to be held in June 2024.

In view of the above, the other Directors have particularly reviewed and assessed the independence of the Affected Directors. After due consideration and with the recommendation of the NC, the Board continues to regard the Affected Directors as independent notwithstanding the length of tenure of their service, after taking into consideration, inter alia, the guidelines for independence as provided for under the Code, the absence of potential conflicts of interest for the Affected Directors which may arise through, inter alia, shareholding interest in the Company and/or business dealings directly or indirectly with the Group, and as they have demonstrated independence in character and judgment through, inter alia, their contributions to Board discussions, deliberations, ability and preparedness to exercise independent business judgment and/or decisions with the view to the best interests of the Company, without undue reliance, influence or consideration of the Group's interested parties such as the Chairman, the other non-independent Directors, controlling shareholders and/or their associates.

In addition, the NC and the Board have evaluated the participation of the Affected Directors at the Board and Board Committees' meetings and determined that they have been objective and independent minded in Board deliberations as well as their vast experience enables them to provide the Board and the Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and able to discharge their duties independently with integrity and competency. The Board trust that the Affected Directors are able to discharge their duties independently with integrity and competency. The Affected Directors have recused themselves from all NC and Board deliberations and decisions relating to their independence.

Taking into account the above, the Board has affirmed their independence status and resolved that the Affected Directors continues to be considered an independent director, notwithstanding they have served the Board beyond nine years from the date of their first appointment.

Each member of the NC and the Board recused themselves from the deliberations on their independence.

Independent Directors comprising majority of the Board
Proportion of Independent Non-Executive Directors

The Non-Executive Chairman, Dato' Sri Adam Sani bin Abdullah, is not independent in accordance with the definition of the Code.

Provision 2.2
Provision 2.3

During FY2024, the Independent Directors make up more than half of the Board which meets the requirements set out under Provision 2.2 and Provision 2.3 of the Code. This provides a strong and independent element on the Board and is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures that key issues and strategies are critically reviewed, constructively challenged, fully discussed and thoroughly examined.

In addition, the Company had appointed General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) as the Lead Independent Director, to provide leadership in situations where the Chairman is conflicted, and especially when the Chairman is not independent. Therefore, the NC considered the Board has sufficient independent element and its composition is appropriate to facilitate effective decision-making.

Board composition, size and diversity

Currently, the Board consists of eight Directors which includes six Independent Directors, one Non-Independent Non-Executive Director and one Executive Director. Provision 2.4

The details of the Board Composition as of the date of this Report are summarised as follows:

Name of Director	Designation	Date of First Appointment	Date of Last Re-election	AC	NC	RC
Dato' Sri Adam Sani bin Abdullah	Non-Executive Chairman	7 January 2011	29 June 2021	–	Member	Member
Mr. Lee Sze Siang	Executive Director	13 August 2010	27 June 2023	–	–	–
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	Lead Independent Director	7 January 2011	29 June 2022	Member	Chairman	Chairman
Mr. Chew Soo Lin	Independent Director	26 August 2011	29 June 2021	Member	Member	–
Dato' Megat Hisham bin Megat Mahmud	Independent Director	9 July 2013	27 June 2023	Chairman	–	Member
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	Independent Director	2 May 2024	–	Member	Member	Member
Ms. Haslin binti Osman	Independent Director	2 May 2024	–	Member	–	Member
Mr. Quek Meng Teck, Derrick	Independent Director	2 May 2024	–	Member	Member	–

The profiles of each of the Directors are set out on pages 12 to 13 of this Annual Report.

The Company recognises the benefits of having an effective and diverse Board, and views diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and sustainable development. A diverse Board will include and make good use of differences in the skills, industry knowledge and professional experience, cultural and education background and other qualities of the Directors and does not discriminate on the ground of race, age, gender or religious belief.

On an annual basis, the NC will review the appropriateness of the current Board size and composition, taking into consideration the changes in the nature and scope of operations as well as the regulatory environment of the Group. In reviewing the Board composition and succession planning, the NC reviews, on a yearly basis the size and composition of the Board and Board Committees and the skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience, gender and knowledge of the Company. These competencies include accounting and finance, business acumen, management consultancy experience, industry knowledge, strategic planning experience, customer-based knowledge, familiarity with legal and regulatory requirements and knowledge of risk management.

The Company is committed to provide fair and equal opportunities and to nurture diversity within the Group. The Company has adopted a Board Diversity Policy where in designing the Board's composition, board diversity will be considered from a wide range of aspects, including but not limited to age, gender, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, and any other factors that the Board may consider relevant and applicable from time to time. High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

The target, timeline and progress towards achieving the diversity objectives are summarised below: -

(a) Diversity of Gender

The Board recognises gender as one of the important aspects of diversity. As disclosed in its annual report in respect of the financial year ended 28 February 2023, the Board aims to appoint a female director within the next three years.

As of the date of this Report, the Company has achieved its target to appoint one female director, namely Ms. Haslin binti Osman, as Independent Director of the Company with effect from 2 May 2024.

Following the appointment, the Board has one female director, representing 12.5% of the existing Board composition. The percentage of female board representation will further be increased to 16.67% upon the conclusion of forthcoming AGM, following the resignation of the Outgoing Directors as mentioned above.

The NC will work towards fostering and maintaining gender diversity, following a merit-based approach that considers the necessary skills, experience, independence, and knowledge required by the Board to effectively fulfil its responsibilities.

(b) Diversity of Age

There is no age limit for the Directors as weight should be given to suitable candidates with reputed and experience.

While no specific targets have been set for age diversity, the existing Board comprises of Directors from a diverse age group with ages ranging from mid 40s to more than 70 years old and possess appropriate mix and balance of diversity of skills, independence, knowledge and experience which allow for effective direction for the Group.

Nonetheless, the Company will endeavour to promote age diversity when considering the composition of the Board for any appointment. At the same time, the Company continues to value the contribution of its Board members regardless of age.

(c) Tenure of Service of Board of Directors

In compliance with the amended Rule 210(5)(d)(iv) of the Listing Manual, a director who has been a director of the Company for aggregate period of more than nine years, will either step down or re-designated as Non-Independent Non-Executive Director.

As such, the tenure of each Independent Director is monitored closely every year so that the process for Board renewal is reviewed and considered ahead of any independent Director reaching the nine-year mark to facilitate a smooth transition and to ensure that the Board continues to have an appropriate level of independence.

In line with the Board renewal process and as explained above, Mr. Chew Soo Lin will be redesignated as the Non-Independent and Non-Executive Director of the Company upon the conclusion of the forthcoming AGM and remains as member of AC in order to fulfil the relevant requirements relating to the AC composition to comply with the Provision 10.2 of the Code. Both General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) and Dato' Megat Hisham bin Megat Mahmud will resign as Directors of the Company upon conclusion of the AGM.

(d) Diversity of Expertise

High emphasis is placed on ensuring a balanced composition of skills and experience at the Board level in order to provide a range of perspectives, insights and challenge that enable the Board to discharge its duties and responsibilities effectively, support good decision making in view of the core businesses and strategy of the Group, and support succession planning and development of the Board.

The existing Board comprises of Directors who as a group have an appropriate balance and mix of skills, knowledge, experience and diversity of thought, so as to foster constructive and robust debate and avoid groupthink.

In addition, the Company will also ensure that at least two Board members who have relevant accounting or related financial management expertise or experience are sit on the AC to comply with the Provision 10.2 of the Code.

For achieving an optimal Board, additional measurable objectives/specific diversity targets may be set and reviewed from time to time to ensure their appropriateness.

(e) Independence

The Company believes that the Board's independence enables the Board to function effectively at an optimum level during the year and exercise objective judgment on corporate affairs independently.

During FY2024, the Board comprises of five members of which three were Independent Directors. The Board maintains the proportion of independent Board members, which make up more than one-third of the Board, in compliance with Rule 210(5)(c) of the Listing Manual.

The NC is tasked to review the Board Diversity Policy and its targets for diversity from time to time and to ensure its continued effectiveness and alignment with best practice and the requirements of the Code and any other relevant legislation. Any revisions or improvements, where necessary, will be recommended to the Board for approval as well as any further progress made towards the said policy will be disclosed in future Reports, as appropriate.

The Board has taken the following steps to maintain or enhance its balance and diversity: -

(a) annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and

(b) annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the potential gaps in the areas of expertise and competencies of the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors. The NC will also continuously review the composition of the Board so that it will have the necessary competency to be effective.

The NC will further consider other aspects of diversity such as skills, knowledge, professional and commercial experience, gender, age, length of service and other relevant factors. In addition, NC has also assessed the current level of diversity on the Board to be satisfactory and thus, the Company takes the approach that maintaining a satisfactory level of diversity is an on-going process. Accordingly, the current plan is to monitor and assess, alongside developments in the Group's operations, whether the current Board composition presents a satisfactory level of diversity and allows for effective collaboration between and contribution by the Directors.

The Board and the NC have considered and are satisfied that the current size and composition of the Board is appropriate has adequate ability to meet the existing scope of needs and the nature of operations of the Group, which facilitates effective decision-making. As at the date of this Report, the Board is confident that its directors possess the essential competencies and knowledge required to effectively lead and govern the Group and that its existing composition achieves a diversity of skills, knowledge and experience to the Company which summarised as follows: -

Diversity of the Board	**Number of Directors**	**Proportion of Board**
Core Competencies		
Accounting or finance or legal or corporate governance	6	75%
Business management, business acumen, management consultancy experience, or strategic planning experience	8	100%
Relevant industry knowledge or experience	4	50%
Gender		
Male	7	87.5%
Female	1	12.5%
Age		
49 and below	1	12.5%
50 to 69	4	50%
70 and above	3	37.5%

Non-Executive Directors and Independent Directors exercise no management functions in the Group. Although all the Directors have equal responsibility for the performance of the Group, the role of the Non-Executive Directors and Independent Directors is particularly important in ensuring that the strategies proposed by the Management are fully disclosed and rigorously examined and take into account the long-term interests, not only of the shareholders, but also of the employees, customers, suppliers and the communities in which the Group conducts its business. The Non-Executive Directors and Independent Directors are also involved in reviewing the performance of Management against agreed goals and objectives. The NC considers the Non-Executive Directors and Independent Directors to be of sufficient calibre and their views to be of sufficient weight such that no individual or small group of individuals dominates the Board's decision-making process.

Based on the foregoing, the Board is of the view that the practices adopted by the Company are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Meetings without the presence of Management

The Company co-ordinates informal meeting sessions for Independent Directors to meet without the presence of the Management to discuss matters related to the Group, including performance of the Management as well as to review any other matters that must be raised privately. Regular meetings are also held by the Management to brief the Independent Directors on the Group's financial performance, corporate governance initiatives, prospective deals and potential developments. The Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors, where necessary and the Lead Independent Director will provide feedback to the Non-Executive Chairman after such meetings. Provision 2.5

Chairman and Chief Executive Officer ("CEO")

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Presently, Mr. Lee Sze Siang is an Executive Director of the Company and assumed the roles and responsibilities of the CEO, including: - Provision 3.1

(i) overseeing, formulating and execution of strategic business directions for the affairs of the Group;

(ii) overseeing the day-to-day business operations and business development of the property and investment holding segments of the Group; and

(iii) undertaking such duties and exercising such powers in relation to the Group and its businesses as the Board shall from time to time properly assign to or vest in him in his capacity as Executive Director and all other matters incidental to the same.

The Group's Chairman, Dato' Sri Adam Sani bin Abdullah, is a Non-Independent Non-Executive Director and was appointed as Chairman of the Board on 7 January 2011. He is consulted on the Group's strategic direction and formulation of policies as well as to ensure the smooth running of the Board. His responsibilities include:

(i) leading the Board to ensure its effectiveness on all aspects of its role;

(ii) setting the meeting agenda and ensuring that all Board meetings are convened and held as and when required, in particular strategic issues;

(iii) ensuring that the Directors receive accurate, timely and clear information, and ensuring effective communication with key stakeholders, including shareholders and management from time to time;

(iv) ensuring that proper procedures are set to comply and promote high standards with the Code; and

(v) acting in the best interest of the Group and the shareholders.

The roles of the Chairman and Executive Director are separate and distinct, each having their own areas of responsibilities. The Company believes that a distinctive separation of responsibilities between the Chairman and the Executive Director will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. As such, the decision-making process of the Group would not be unnecessarily hindered. Provision 3.2

Lead Independent Director

In line with Provision 3.3 of the Code, the Board has appointed General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired) as the Lead Independent Director to co-ordinate and lead the Independent Directors to provide a non-executive perspective and contribute to a balance of viewpoints on the Board. He is the main liaison on the Board's issues between the Independent Directors and the Non-Executive Chairman. He will also be available to shareholders who have concerns in the event that normal interactions with the Non-Executive Chairman, Executive Director or Financial Controller have failed to resolve their concerns or where such channel of communication is considered inappropriate. Provision 3.3

Board Membership

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Composition and Term of Reference of NC

As at 29 February 2024, the NC comprises the following members, the majority of whom, including the Chairman of the NC, are independent: Provision 1.4 Provision 4.1 Provision 4.2

1. General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)
   (Chairman) (Lead Independent Director)

2. Dato' Sri Adam Sani bin Abdullah
   (Member) (Non-Executive Chairman)

3. Mr. Chew Soo Lin
   (Member) (Independent Director)

The NC, which has written terms of reference, is responsible:

(a) reviewing nominations for the appointment or re-appointment of the Directors, having regards to each Director's contribution, commitment, competencies and performance;

(b) determining annually whether or not a director is independent, guided by the Code regarding independence;

(c) deciding whether or not a director is able to and has been adequately carrying out his duties as a director;

(d) proposing a set of objective performance criteria to the Board for approval and implementation, to evaluate the effectiveness of the Board as a whole, and of each Board Committee, and the contribution of each Director to the effectiveness of the Board;

(e) recommending to the Board the review of Board succession plans for the Company's Directors, in particular, for the Chairman of the Board and KMP;

(f) reviewing and recommending to the Board on an annual basis, the Board structure, size and composition, taking into account, the balance between the Executive Director, Non-Executive Director and Independent Directors to ensure that the Board as a whole possesses the right blend of relevant experiences and core competencies to effectively manage the Company;

(g) reviewing training and professional development programs for the Directors; and

(h) reviewing and ensure the effectiveness of the Board Diversity Policy.

Selection, Appointment, and Re-appointment of Directors

The NC is responsible for identifying and recommending new Director(s) to the Board to fill vacancies arising from resignation, retirement or any other reasons, after considering the benefits of all aspects of diversity, including but not limited to those described in the Board Diversity Policy, in order to maintain an appropriate range and balance of skills, experience and background on the Board. Provision 4.3

In selecting potential new Director(s), the NC will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board, the balance of skills, experience, independence and knowledge of the Company on the Board and the diversity representation of the Board and seek to identify the competencies required to enable the Board to fulfil its responsibilities.

The potential candidate may be proposed by the existing directors, substantial shareholders, management or through third party referrals. The NC may engage consultants to undertake research on, or assess, candidates applying for new positions on the Board, or to engage such other independent experts, as it considers necessary to carry out its duties and responsibilities. Subsequent to the review of potential candidate's curriculum vitae, qualifications, experience and expertise, the recommendations for new Director(s) will be put to the Board for consideration.

As part of its Board renewal plan, the Company has received the nomination of four potential candidates through internal resources and referrals from existing Directors in order to assess their suitability, independency and other aspects such as experience for the position, knowledge, qualification and etc. After reviewed and assessed, three potential candidates are shortlisted and recommended by NC to the Board for consideration and approval. The Board has accepted the recommendation from the NC and appointed three new directors, namely Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Ms. Haslin binti Osman and Mr. Quek Meng Teck, Derrick based on merits as well as who possess a variety of skill sets, including finance and accounting, management and industry experience and knowledge as Independent Non-Executive Directors of the Company with effect from 2 May 2024, as part of the renewal process in order to comply with the Rule 210(5)(d)(iv) of Listing Manual.

All three new Independent Directors have no prior experience as a director of an issuer listed on the SGX-ST and thus, they will be attending the training courses on the roles and responsibilities as a director of a listed company as prescribed by the SGX-ST and mandated sustainability training within a year from the date of their appointment to the Board.

Process of re-appointment of Directors

The Regulation 104 of the Constitution requires one-third of the Directors for the time being (or, if their number is not multiple of three, the number nearest to but not greater than one-third) shall retire from office at each AGM of the Company and all Directors to retire from office at least once every three years. It is also provided in the Regulation 108 of the Constitution that the Directors appointed by the Board during the course of the year must retire and submit themselves for re-election at the next AGM of the Company following their appointments.

The date of first appointment and last re-appointment for each of the Directors are set out in Provision 2.4 of this Report.

The NC, in considering the re-appointment of any Director, considers factors including but not limited to attendance record at meetings of the Board and Board Committees, participation at meetings, and the quality of contributions to the development of strategy, the degree of preparedness, industry and business knowledge and the experience each Director possesses which is crucial to the Group's business.

Each member of the NC shall abstain from voting on any resolutions in respect to his/her re-nomination as a Director.

At the forthcoming AGM, the following Directors are subject to retirement pursuant to the Company's Constitution: -

(a) Regulation 104 of the Constitution

  (i) Dato' Sri Adam Sani bin Abdullah; and

  (ii) Mr. Chew Soo Lin.

(b) Regulation 108 of the Constitution

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

  (ii) Ms. Haslin binti Osman; and

  (iii) Mr. Quek Meng Teck, Derrick.

(collectively, known as "**Retiring Directors**")

The NC and the Board have evaluated the participation of the Retiring Directors at the Board and Board Committees' meetings and determined that they have been objective and independent minded in Board deliberations as well as their vast experience enables them to provide the Board and the Board Committees on which they serve, with pertinent experience and competence to facilitate sound decision-making and able to discharge their duties with integrity and competency.

In conjunction with the resignation of the Outgoing Directors at the conclusion of the forthcoming AGM, the NC has also reviewed the composition of the Board and Board Committees, and recommended to the Board that the Retiring Directors be nominated for re-election at the forthcoming AGM and, where applicable, be re-designated, in the following manner upon the conclusion of the forthcoming AGM: -

(a) Dato' Sri Adam Sani bin Abdullah will, upon re-election as Director of the Company, continue to serve as Non-Executive Chairman, and remain as a member of NC and RC;

(b) Mr. Chew Soo Lin will, upon re-election as Director of the Company, be re-designated as Non-Independent Non-Executive Director, in compliance with the Rule 210(5)(d)(iv) of the Listing Manual. Upon re-designation, he will relinquish his position as member of NC but remain as a member of AC, in order to fulfil the relevant requirements relating to the AC composition to have at least two AC members have recent and relevant accounting or related financial management expertise or experience in compliance with Provision 10.2 of the Code;

(c) Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) will, upon re-election as Director of the Company, be re-designated as Lead Independent Director and Chairman of NC. He will remain as member of AC and RC;

(d) Ms. Haslin binti Osman will, upon re-election as Director of the Company, continue to serve as Independent Director and member of AC. She will be re-designated as Chairman of RC; and

(e) Mr. Quek Meng Teck, Derrick will, upon re-election as Director of the Company, continue to serve as Independent Director and member of NC. He will be re-designated as Chairman of AC to comply with Provision 10.2 of the Code, where the AC Chairman is independent and non-executive, and has recent and relevant accounting or related financial management expertise or experience.

After review, the Board has accepted the recommendation of the NC and the Retiring Directors have also offered themselves for re-election at the forthcoming AGM.

Key information on Directors seeking re-election pursuant to Rule 720(6) of the Listing Manual are set out on pages 173 to 176 of this Annual Report.

NC to determine Director's Independence

The task of assessing the independence of the Directors is delegated to the NC. The NC reviews the independence of each Director annually, and as and when circumstances require. Provision 4.4

Annually, each Independent Director is required to complete a Director's Independence Declaration (the "**Declaration**") to confirm his/her independence. The Declaration is drawn up based on the guidelines provided in the Code. Based on the Declaration submitted by each of the Independent Directors, the NC is of the view that the Independent Directors are independent as defined in the Code and are able to exercise judgment on the corporate affairs of the Group independent of the Management for the financial year under review. Thereafter, the NC recommends its assessment to the Board.

Commitments of Directors sitting on multiple Board

Despite some of the Directors having other Board representations, the NC and the Board were satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company at all times. In arriving at the aforesaid conclusion, the NC had taken into account, *inter alia*, the contributions by the Directors during the meetings and attendance at such meetings. Currently, the Board has not determined the maximum number of listed Board representations which any Director may hold as it considers that the multiple board representations presently held by its directors do not impede their performance in carrying out their duties to the Company. The NC and the Board will review the requirement to determine the maximum number of listed Board representations as and when it deemed fits. Provision 4.5

There was no alternate Director being appointed to the Board in FY2024.

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

The Board and Board Committees have implemented a process for assessing the effectiveness of the Board as a whole and of each Board Committee respectively, as well as the contribution by the Chairman and each individual director to the Board. The Board had approved the objective performance criteria and process for such evaluations based on the NC's recommendation. The NC has adopted an assessment checklist, which includes various quantitative and qualitative evaluation factors, and disseminates the same to each Director for completion. Provision 5.1

The NC had conducted the Board's performance evaluation as a whole, together with the performance evaluation of the Board Committees and each Director individually as well as Chairman of the Board. The summary of the assessment results was presented at the NC Meeting for review and discussion.

The performance criteria cover the following main areas:

(i) Board Composition and Structure;

(ii) Conduct of Meetings;

(iii) Corporate Strategy and Planning;

(iv) Risk Management and Internal Control;

(v) Measuring and Monitoring Performance;

(vi) Training and Recruitment;

(vii) Compensation;

(viii) Financial Reporting;

(ix) Chairman of the Board;

(x) Board Committees;

(xi) Board Contribution;

(xii) Knowledges and Duties; and

(xiii) Communication skills with internal and external parties *i.e. Shareholders*.

The assessment parameters for each Director include their knowledge and abilities, attendance records at the meetings of the Board and Board Committees, and the quality of participation at meetings. The NC and the Board have relied on the above-mentioned parameters to evaluate the Directors' contribution individually and have taken such evaluation into consideration for the re-nomination of the Directors. Provision 5.2

The assessment is generally conducted by requesting each individual Director to complete evaluation questionnaires. Each individual Director completes an evaluation questionnaire assessing the Board as a whole and the individual Directors as well as the Chairman. In addition, Directors who are also Board Committee members are required to complete the relevant evaluation questionnaire for each committee that they are a member of.

To ensure confidentiality, all duly completed evaluation forms by all Directors are submitted to the Company Secretary for collation. The results of the performance evaluation were presented first to the NC for review and discussion and then to the Board.

The Board was satisfied with the results of the annual evaluation assessment for FY2024, having met the performance evaluation criteria and objectives as well as each Director has contributed effectively and demonstrated commitment to his/her respective role of Board Committees. For the financial year under review, no external facilitator was engaged by the Company during the evaluation process.

The replacement of a director, when it occurs, may not necessarily be an indication of the Director's performance, but may be driven by the need to align the Board with the evolving requirements of the Group's business and operations.

The Board and the NC have endeavoured to ensure that the Directors appointed to the Board possess the relevant experience, knowledge and expertise critical to the Group's business.

(B) REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of Remuneration Committee

As at 29 February 2024, the RC comprises the following members: Provision 1.4 Provision 6.2

1. General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)
   (Chairman) (Lead Independent Director)

2. Dato' Sri Adam Sani bin Abdullah
   (Member) (Non-Executive Chairman)

3. Dato' Megat Hisham bin Megat Mahmud
   (Member) (Independent Director)

All three members of the RC are Non-Executive Directors, and the majority of whom, including the Chairman of the RC, are independent.

Term of Reference of RC

The RC is responsible for: Provision 6.1

(a) reviewing and submitting to the Board for endorsement, a framework of remuneration and the specific remuneration packages and terms of employment (where applicable) for each Executive Director(s) and KMP;

(b) reviewing and approving annually all aspect of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options, share based incentives and awards and benefits-in-kind, of the Directors and KMP; and

(c) reviewing and submitting its recommendations for endorsement by the Board, any share options schemes, share award plans or long-term incentive schemes which may be set up from time to time and to do all acts necessary in connection therewith.

In reviewing the service agreements of the Executive Director and KMP of the Company, the RC will review the Company's obligations, in particular, in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. Provision 6.3

RC's access to Independent Advice

No Director will be involved in determining his own remuneration. The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company. During the financial year under review, the RC did not engage the service of an external remuneration consultant. Provision 6.4

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the Company.

Remuneration Structure of Executive Director and KMP

The RC will take into account the industry norms, the Group's performance as well as the contribution and performance of each Director and KMP when determining remuneration packages. Provision 7.1

The remuneration for the Executive Director and KMP comprises a fixed and variable component. The variable component is performance related and is linked to the Group's performance as well as the performance of the Executive Director and each individual KMP.

Remuneration Structure of Independent Directors and Non- Executive Directors

The Independent Directors and Non-Executive Directors receive Directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The payment of Directors' fees is subject to approval of the Shareholders at each AGM. The Independent Directors shall not be over-compensated to the extent that their independence may be compromised. There were no share-based compensation schemes in place for the Independent Directors and Non-Executive Directors. Provision 7.2

Retention of Executives Director and KMP

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Director and KMP in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Director owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties. Provision 7.3

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The Company does not have any formal remuneration policy. Notwithstanding that, in determining the remuneration packages of the Executive Director and KMP, the RC has considered the compensation and benefits which commensurate with the level of the Executive Director and KMP's responsibilities and performance, as well as taking into consideration the Group's performance relative to the industry. The Executive Director is not entitled to annual fee or allowance nor is entitled to receive any meeting allowances for the Board and Board Committees' meetings he attends. Each of the Non-Executive Directors abstains from deliberating and voting on his own remuneration. Provision 8.1 Provision 8.3

A breakdown of the level and mix of remuneration paid/payable to each Director in remuneration bands of S$250,000 with a breakdown in percentage for FY2024 are as follows:

Remuneration Band and Name of Director	Salary and Bonus	Directors' Fees	Others Benefits	Total
	%	%	%	%
Below S$250,000				
Dato' Sri Adam Sani bin Abdullah	–	100	–	100
Mr. Lee Sze Siang	100	–	–	100
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	–	100	–	100
Mr. Chew Soo Lin	–	100	–	100
Dato' Megat Hisham bin Megat Mahmud	–	100	–	100

The total Directors' fees for FY2024, which will be put to shareholders for approval at the forthcoming AGM, amounted to S$145,000 (FY2023: S$145,000).

For FY2024, the Group had identified the following KMP (who are not Directors or the CEO of the Company) and the details of remuneration paid to the KMP of the Group (who are not Directors or the CEO of the Company) are set out below:

Remuneration Band and Name of KMP	Salary and Bonus	Other Benefits	Total
	%	%	%
Below S$250,000			
Ms. Cheah Im Bee[1]	100	–	100
Mr. Stuart Saw Teik Siew	100	–	100
Mr. Ng Chun How	100	–	100
Ms. Tee Lay Yen	100	–	100
Ms. Ooi Poay Hoon	100	–	100

[1] *Ms Cheah Im Bee had resigned as Financial Controller of the Group with effect from 9 May 2024.*

The aggregate total remuneration paid to the KMP of the Group (who are not Directors or the CEO of the Company) for FY2024 amounted to approximately S$441,600.

The Company does not have any employee share option scheme or any long-term incentive scheme in place during FY2024.

There were no terminations, retirement or post-employment benefits granted and paid to the Directors, CEO and KMP during FY2024.

The Board, has on review, is of the opinion that it is in the best interests of the Group not to disclose the exact remuneration of Directors and KMP in the Annual Report in view of the confidentiality of remuneration matters and as the Board believes that such disclosure may be prejudicial to the Group's business interests given the competitive environment it is operating in.

The RC has reviewed the practice of the industry in weighing the advantages and disadvantages of such disclosure. As a Company with a small and tightly knit team, such disclosure may adversely affect the cohesion and spirit of teamwork prevailing amongst the employees of the Group and also retaining talent at the Board and top management level. Non-disclosures maintain confidentiality of remuneration, prevent poaching and also prevent internal comparison and maintain morale.

Notwithstanding that the Company did not disclose the exact remuneration of Directors and KMP (who are not Director or CEO of the Company) in its Annual Report for FY2024, the Board is of the view that the Company has provided sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, which are consistent with the intent of Principle 8 of the Code.

Remuneration of Employees who are Substantial Shareholder, or Immediate Family Members of Directors, the CEO and/or Substantial Shareholders of the Company

There is no employee who is the substantial shareholders of the Company or immediate family members of a Director, the CEO or a substantial shareholder of the Company whose remuneration exceeds S$100,000 in the Group's employment during FY2024. Provision 8.2

(C) ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Risk Management System

The Board as a whole is responsible for the governance of risk. The Board will: Provision 9.1

(i) ensure that the Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets;

(ii) determine the nature and extent of the significant risks and the level of risk tolerance, which the Board is willing to take in achieving its strategic objectives and value creation;

(iii) provide oversight in the design, implementation and monitoring of the risk management framework and system of internal controls (including financial, operational, compliance and information technology controls), including ensuring that Management puts in place action plans to mitigate the risks identified where possible;

(iv) review the adequacy and effectiveness of the risk management and internal controls systems annually; and

(v) set and instil the appropriate risk-aware culture throughout the Group for effective risk governance.

The Group's internal auditors conduct review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls, and coordinate a risk assessment on a regular basis to ensure the adequacy thereof. The findings of the review conducted by the internal auditors together with the review undertaken by the external auditors as part of their statutory audit are presented to the AC. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the internal auditors and external auditors in this respect.

The AC is responsible for reviewing the audit reports from the internal auditors and external auditors and assists the Board in overseeing the Management in the formulation, updating and maintenance of an adequate and effective risk management framework and internal controls. The Board, with the assistance of the AC, is responsible for the governance of risk by ensuring the adequacy and effectiveness of the system of risk management and internal controls.

In this regard, the AC is assisted by the Risk Management Team ("**RMT**"), as part of the Group's efforts to strengthen its risk management processes and policy framework.

The RMT is tasked to:

(i) provide executive oversight and coordination of risk management efforts across the Group;

(ii) conduct review of its risk management framework and processes to ensure their adequacy and effectiveness on regular basis;

(iii) maintain a risk register which identifies the material risks facing the Group and the internal controls in place to manage or mitigate those risks; and

(iv) review and update the risk register regularly by the business and corporate heads in the Group.

The Board notes that the system of risk management and internal controls established by the Management provides reasonable, but not absolute assurance that the Group will not be significantly affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. The Board also notes that no system of risk management and internal controls can provide absolute assurance in this regard, or absolute assurance against poor judgment in decision-making, human error, losses, fraud or other irregularities.

Assurance from Executive Director, Financial Controller and KMP

The Board has received assurance from: Provision 9.2

(i) the Executive Director and the Financial Controller that the financial records have been properly maintained and the financial statements for FY2024 give a true and fair view in all material respects of the Company's operations and finances; and

(ii) the Executive Director, Financial Controller and KMP who are responsible that the Group's risk management and internal control systems are adequate and operating effectively in all material respects given its current business environment.

Based on the risk management processes and policy framework, internal controls system established and maintained by the Group, reviews performed by the Management, and work performed by the external auditors and internal auditors, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls and risk management systems are adequate and effective in addressing the financial, operational, compliance and information technology controls of the Group for FY2024.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

As at 29 February 2024, the AC comprises the following members: Provision 1.4 Provision 10.2

1. Dato' Megat Hisham bin Megat Mahmud
(Chairman) (Independent Director)

2. General Tan Sri Dato' Seri Mohd Azumi Bin Mohamed (Retired)
(Member) (Lead Independent Director)

3. Mr. Chew Soo Lin
(Member) (Independent Director)

All three members of the AC are Independent Directors. The AC members have had many years of experience in accounting, business and financial management. The Board considers that the AC members are appropriately qualified to discharge the responsibilities of the AC.

The AC assists the Board in maintaining a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems. Provision 10.1

The AC has written terms of reference, setting out their duties and responsibilities, which include the following:

(i) to review with the external auditors:

  (a) the audit plan, including the nature and scope of the audit before the audit commences;

  (b) their evaluation of the system of internal accounting controls;

  (c) their audit report; and

  (d) their management letters and the Management's response;

(ii) to discuss with the external auditors any problems or concerns arising from their quarterly reviews, interim and final audits, and any other matters which the external auditors may wish to discuss;

(iii) to ensure co-ordination where more than one audit firm is involved;

(iv) to review and assess the adequacy and effectiveness of the internal controls (including financial, operational, compliance, information technology controls and risk management) systems established by Management to identify, assess, manage, and disclose financial and non-financial risks;

(v) to monitor the scope and results of the external audit, its cost effectiveness and the independence and objectivity of the external auditors annually and give recommendations to the Board and the Company in general meeting regarding the appointment, re-appointment or removal of the external auditors;

(vi) to review and ensure that assurance has been received from the Executive Director and Financial Controller in relation to the financial statements of the Group;

(vii) to review the internal audit programme and ensure co-ordination between the internal auditors and external auditors and the Management;

(viii) to review the quarterly, half-yearly and full year financial statements of the Company and of the Group, including announcements relating thereto, to shareholders and the SGX-ST, and thereafter to submit them to the Board for approval;

(ix) to review interested person transactions (as defined in Chapter 9 of the Listing Manual), potential conflict of interest and report its findings to the Board;

(x) to undertake such other reviews and projects as may be requested by the Board or as the Committees may consider appropriate; and

(xi) to undertake such other functions and duties as may be required by law or by the Listing Manual, as amended from time to time.

Apart from the duties listed above, the AC is given the task of commissioning investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Company's operating results or financial position, and to review its findings.

The AC has full access to and the co-operation of Management and the full discretion to invite any Director or Executive Officer to attend its meetings and has reasonable resources to enable it to discharge its functions properly. The external auditors have unrestricted access to the AC.

The AC recommends to the Board on the proposals to shareholders on the appointment, re-appointment and removal of the external auditors and approving the remuneration of the external auditors. The AC had evaluated the performance of the external auditors based on the key indicators of audit quality and guidance, where relevant, as set out in the Guidance to Audit Committees on ACRA Quality Indicators Disclosure Framework relating to the audit firms' level. Accordingly, the AC has recommended to the Board the nomination of Messrs Ernst & Young LLP for reappointment as external auditors of the Company at the forthcoming AGM. The Company confirms that Rule 712, Rule 715 and Rule 716 of the Listing Manual in relation to the appointment of auditing firms for the Group have been complied with. The Board and the AC are satisfied that the appointment of different auditing firms for its Singapore-incorporated subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

Relationship with External Auditors

None of the members of the AC was former partner or director of the Company's external auditors within a period of two years commencing on the date of their ceasing to be a partner or director of the external auditors and none of the AC members hold any financial interest in the external auditors. Provision 10.3

The annual audit plan is established in consultation with, but independent of the Management and tabled to the AC for approval. The AC has reviewed and approved the audit plan. Significant findings, recommendations and status of remediation are circulated to the AC, the Board and relevant Management.

The AC is kept updated annually or from time to time on any changes to the accounting and financial reporting standards by the external auditors. The external auditors will work with the Management to ensure that the Group complies with the new accounting standards which have a direct impact on financial statements, if applicable.

In the review of the financial statements for FY2024, the AC had discussed with the Management and the external auditors on changes to accounting standards and significant issues and assumptions that impact the financial statements. The most significant matters had also been included in the Independent Auditor's Report to the members of the Company under "Key Audit Matters". Following the review, the AC is satisfied that those matters as follows had been properly dealt with. The Board had approved the financial statements.

Key Audit Matters	Approach and measurements
Impairment assessment of Property, plant and equipment ("**PPE**") and right-of-use assets ("**ROUA**")	The AC reviewed and is satisfied with the reasonableness of management's judgements and assumptions used in the value in use calculations to determine the recoverable amount of the cash generating units ("**CGU**"). The recoverable amount was determined using probability-based cash flow projection. The key estimates included revenue growth rate under various recovery scenarios, budgeted gross margin, budgeted operating costs and discount rate. AC is satisfied with the carrying value of the PPE and ROUA. The impairment review was also an area of focus for external auditor. The external auditor has included this as key audit matter in its auditor report for FY2024. Please refer to the page 98 of this Annual Report.
Impairment assessment of goodwill and investments in subsidiaries	The AC reviewed and is satisfied with the reasonableness of management's judgements and assumptions used in the value in use calculations to determine the recoverable amount of the CGU. The recoverable amount was determined using probability-based cash flow projection. The key estimates included revenue growth rate under various recovery scenarios, budgeted gross margin, budgeted operating costs and discount rate and long term growth rate. AC is satisfied with the carrying value of the goodwill and investment in subsidiaries. The impairment review was also an area of focus for external auditor. The external auditor has included this as key audit matter in its auditor report for FY2024. Please refer to the pages 98 to 99 of this Annual Report.

The AC has met separately with the external auditors and internal auditors without the presence of the Management to discuss their findings and provide opportunities for the external auditors and internal auditors to bring to its attention any significant matters encountered during the course of their audit in FY2024. Provision 10.5

The AC has conducted a review of all non-audit services provided by the external auditors and was satisfied that the nature and extent of such services would not prejudice the independence and objectivity of the external auditors. In FY2024, the aggregate amount of fees paid or payable to the Company's external auditors, Messrs Ernst & Young LLP, was S$87,000, comprising approximately S$82,000 of audit fees and S$5,000 of non-audit fees; whereas the aggregate amount of fees paid or payable to other auditors of the Group was S$158,000, comprising approximately S$156,000 of audit fees, and S$2,000 of non-audit fees. The breakdown is also set out in Note 7 of the Consolidated Audited Financial Statements of the Group for FY2024.

Whistleblowing Policy

The Group has implemented a whistleblowing policy ("**WB Policy**") whereby accessible channels are provided for employees to raise concerns about possible irregularities or malpractice within the Group to the Chairman of the AC in matters of financial reporting or other matters which they may become aware and if such event occurs, to ensure that: Provision 10.1

(i) independent investigations are carried out in an appropriate and timely manner;

(ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and

(iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balance and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistleblowing in good faith and without malice.

The AC is responsible for oversight and monitoring of the WB Policy which is designed to provide guidance to the staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to their immediate superior or the AC Chairman.

Details of the WB Policy, together with the dedicated whistleblowing communication channels and procedures have been made available to all employees and disseminated to new employees as part of their orientation training. It has a well-defined process which ensures that the identity of the whistleblower is kept confidential, independent investigation of issues/concerns raised and arrangements in place for the independent investigation of such matters for appropriate follow-up actions to be taken and provides assurance that whistleblower will be protected from reprisal within the limits of the law or victimization for whistleblowing in good faith. Also, the AC reviews all the whistleblowing complaints (if any) at its quarterly AC meetings to ensure appropriate action is taken.

If there is any amendment or modification of the WB Policy regardless in whole or in part, at any time without assigning any reason whatsoever, it is subject to the approval of the Board of Directors.

During FY2024, no whistle-blowing reports were received and reported to the AC Chairman via the channel set out in the WP Policy.

The Group has an Internal Audit Department which reports directly to the Chairman of the AC. The Internal Audit Department has unfettered access to all the Group's documents, records, properties and personnel, including access to the AC, and has appropriate standing within the Company and the Group. Provision 10.4

In FY2024, the Group's internal audit team was headed by Mr. Muhamad Anwar Mustaffa, an Associate Member of the Institute of Internal Auditors Malaysia and Certified Practising Accountant Australia. He has more than fifteen years of experience in the audit field, particularly ten years in internal audit. The Internal Audit Department carried out its function according to its Group Internal Audit Charter, which was drawn up according to the Standards for the Professional Practice of Internal Auditing set out by The Institute of Internal Auditors. None of the internal audit personnel had any relationship or conflict of interest that could impair their objectivity and independence in conducting their internal audit functions.

The AC reviews the adequacy and effectiveness of the internal audit function to ensure that internal audits function is conducted effectively, and that the Management provided the necessary co-operation to enable the internal auditors to perform the function. After having reviewed the internal audit reports and remedial actions implemented by Management, the AC is satisfied that the internal audit function is independent, effective, adequately resourced and is staffed with suitably qualified and experienced professionals with the relevant experience.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder rights and conduct of general meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision of Information to Shareholders

The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the Listing Manual and the Companies Act, the Board's policy is that all shareholders should equally and on a timely basis be informed of all major developments that impact the Group via SGXNet. Provision 11.1

Accountability to shareholders is demonstrated through the presentation of the Group's quarterly and full year financial statements, results announcements and all announcements on the Group's business and operations.

The Management provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a quarterly basis and when deemed appropriate by particular circumstances.

The Board also takes adequate steps to ensure compliance with legislative and regulatory requirements and observes obligations of continuing disclosure under the Listing Manual. For example, in line with the Listing Manual, the Board provides a negative assurance statement to the shareholders in respect of the interim financial statements.

The Management maintains regular contact and communication with the Board by various means including the preparation and circulation to all Board members of quarterly and full year financial statements of the Group. This allows the Board to monitor the Group's performance as well as Management's achievements of the goals and objectives determined and set by the Board.

All shareholders are entitled to attend the Company's general meetings and are provided the opportunity to participate in the general meetings. Shareholders are also briefed by the Company or respective professional bodies on the rules, including voting procedures that govern general meetings. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the meeting through proxy forms sent in advance. A member who is a Relevant Intermediary (as defined in Section 181 of the Companies Act) is allowed to appoint more than two proxies to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and Central Provident Fund ("**CPF**") Board which purchases shares on behalf of the CPF investors.

Notice of the general meetings is circulated to shareholders, together with annual reports, explanatory notes or a circular on items of special businesses (if necessary), providing at least 14 days' notice (for ordinary resolutions) or at least 21 days' notice (for special resolutions) in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) by electronic means via publication on SGXNet and the Company's corporate website at https://ir.dfi.com.sg/. The notice of general meetings will also be published in the newspapers within the mandatory period. The AGMs are held within four months after the close of the financial year.

The Company has conducted its AGM on 27 June 2023 in respect of financial year ended 28 February 2023 ("**FY2023**") by electronic means ("**AGM 2023**"). Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (the "**Order**") which was gazetted on 13 April 2020, shareholders were invited to participate in the virtual AGM 2023 by (a) observing and/or listening to the AGM proceedings via live audio-visual webcast or live audio-only stream; (b) submitting questions in advance of or during the AGM 2023; and (c) voting live or appointing proxy or the Chairman of the AGM 2023 as proxy to vote on their behalf at the AGM 2023.

The Company will be holding its AGM in respect of FY2024 physically ("**AGM 2024**") on 26 June 2024. The shareholders are invited to attend the Company's AGM 2024 in person. The notice of AGM 2024, proxy form, Annual Report 2024 and its Appendix in relation to the Proposed Renewal of the Share Purchase Mandate ("**Appendix**"), will be made available to the shareholders via electronic means via the publication on SGXNet and the Company's corporate website at https://ir.dfi.com.sg/. The shareholders will also receive a physical copy of the Notice of AGM 2024, proxy form and request form for physical copy of Annual Report 2024 and Appendix via post. The shareholders who wish to receive a physical copy of Annual Report 2024 and Appendix may submit the request form to the Company within the prescribed timeline in the request form.

Separate resolutions at General Meetings

The Company adheres to the requirements of the Rule 730A of the Listing Manual and the Code whereby all resolutions at the Company's general meetings are put to vote by poll. The detailed results of each resolution will be announced via SGXNet after the general meetings on the same day. Provision 11.2

Each item of special business resolutions included in the notice of the general meetings will be accompanied by explanation of the effects of the proposed resolution. Separate resolutions are proposed for each substantially separate issue at general meetings. There is no bundling of the resolutions as they are not interdependent and linked to each other.

No resolutions were "bundled" and tabled to the Shareholders of the Company at AGM 2023 and AGM 2024 for approval.

Attendees at General Meetings

All shareholders are entitled to attend general meetings of the Company and are given the opportunity to raise questions to the Board, participate effectively and to vote accordingly. The respective Chairman of the Board Committees are normally present and available to address questions from shareholders at general meetings. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries by shareholders. Provision 11.3

For AGM 2023, save for the Lead Independent Director, General Tan Sri Dato' Sri Mohd Azumi bin Mohamed (Retired) and the Non-Executive Chairman of the Group who has appointed Dato' Megat Hisham bin Megat Mahmud to chair the AGM 2023, all the other Directors and the external auditors have attended the AGM 2023 held on 27 June 2023 by electronic means.

Please refer to the Provision 11.1 for more details on the AGM 2023.

Voting in Absentia

The Company has not amended its Constitution to provide for absentia voting methods. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the shareholders' identities through the web are not compromised. Provision 11.4

Minutes of General Meeting

Under Provision 11.5 of the Code, the Company should publish the minutes of general meetings of shareholders on SGXNet and/or its corporate website as soon as practicable and such minutes shall record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and management. The minutes of the general meetings which include substantial comments or queries from shareholders and responses from the Board and Management, will be published on SGXNet and the Company's corporate website at https://ir.dfi.com.sg/ within one month after the general meetings. Provision 11.5

Dividend Policy Guideline

The Group does not have a formal dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate. Nonetheless, the Company had declared two one-tier tax exempt interim dividends for FY2024, which the details are summarised as follows: - Provision 11.6

Date of declaration	Type of dividend	Amount of dividend per ordinary share	Date of dividend payment
11 October 2023	First interim dividend	S$0.00175	3 November 2023
10 January 2024	Second interim dividend	S$0.0008	16 February 2024

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilities the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Communication with Shareholders

The Board welcomes the views of shareholders on matters affecting the Group, whether at the general meetings of shareholders or on an ad-hoc basis. At the general meetings, shareholders will be given the opportunity to express their views and ask Directors or the Management questions regarding the Group. Provision 12.1

For AGM 2023, the Company did not receive any question from the shareholders in relation to the Company's businesses, operations and the resolutions tabled at the AGM 2023 prior to the AGM 2023. The Company has published the minutes of the AGM 2023 proceedings on 11 July 2023 via SGXNet and its corporate website at https://ir.dfi.com.sg/.

Investor Relations Policy

Shareholders are informed of general meetings through announcements released via SGXNet and notices contained in the annual reports or circulars sent to all shareholders. Provision 12.2

The Company ensures that timely and adequate disclosure of information on matters of material impact on the Company are made to shareholders via the SGXNet and press where appropriate, in compliance with the requirements set out in the Listing Manual, with particular reference to the Corporate Disclosure Policy set out therein. Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly to all others as soon as practicable.

Communication to shareholders by the Company is made through: Provision 12.3

(i) annual reports that are prepared and circulated to all shareholders. The Board ensures that the annual report includes all relevant information about the Company and the Group, including future developments and other disclosures required by the Companies Act and Singapore Financial Reporting Standards;

(ii) quarterly announcements containing a summary of the financial information and affairs of the Group for that period;

(iii) notices of explanatory memoranda for AGMs and Extraordinary General Meetings ("**EGMs**"); and

(iv) the Company's corporate website at https://www.dfi.com.sg at which shareholders can access financial information, corporate announcements, press releases, annual reports and the profile of the Group.

Apart from the mandatory announcements through SGX-ST, the Company also established a dedicated section on "Investor Relations Enquiries" at its corporate website at https://www.dfi.com.sg to further enhance communication with the investors or other stakeholders.

Price sensitive information is first publicly released through the SGXNet before the Company meets with any investors or analysts.

Shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. The Board welcomes questions from shareholders who wish to raise issues, either informally or formally before or during the general meetings.

(E) MANAGING STAKEHOLDERS' RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interest of the company are served.

The Company has its materiality assessment process to identify their key stakeholders who have direct influence on the business and operations but not limited to customers, employees, board of directors, government, investors, suppliers and financiers via the engagement platforms, areas of concern and its frequency announced to SGX-ST via its Sustainability Report 2023 which was published together with its Annual Report 2023 on 1 June 2023. The Sustainability Report for FY2024 is released together with this Annual Report which detailed information is set out in pages 17 to 58 of this Annual Report.

Provision 13.1
Provision 13.2
Provision 13.3

In FY2024, the Group has reported its sustainability performance in accordance with the SGX Sustainability Report Guide, with reference to the Global Reporting Initiative (GRI) reporting framework and has aligned its climate-related disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) in the four key areas of governance, strategy, risk management and metrics and target. It has also mapped the material environmental, social and governance (ESG) topics to the United Nations Sustainable Development Goals (SDGs), and will continually review the Group's sustainable business strategy to improve the stewardship and reporting format. Detailed information is set out in this Annual Report in pages 17 to 58.

The Company maintains a corporate website which is updated regularly with the information released on SGXNet and business developments of the Group to communicate and engage with the stakeholders. The stakeholder can assess the relevant materials such as financial information, corporate announcements, press releases, annual reports, sustainability reports and the profile of the Group via the corporate website at https://ir.dfi.com.sg/.

(F) DEALINGS IN COMPANY'S SECURITIES

The Company has adopted and implemented policies in line with the SGX-ST's best practices in relation to dealing in the securities of the Company. The Company issues circular to its officers (includes directors and employees) to remind them that they are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results. Officers of the Company are also discouraged from dealing in the Company's securities on short-term considerations and in circumstances where they are in possession of unpublished price-sensitive information of the Group. They are also advised to be mindful of the laws on insider-trading at all times.

In addition, the Company will not undertake any purchase or acquisition of its own shares pursuant to its share buyback mandate at any time after a price sensitive development has occurred or has been the subject of a decision, until the price sensitive information has been publicly announced.

(G) INTERESTED PERSON TRANSACTIONS

The Company has established procedures for recording and reporting interested person transactions in a timely manner to the AC and such transactions are conducted at arm's length basis and will not be prejudicial to the interests of the Company and its minority shareholders.

The aggregate value of the interested person transactions entered into by the Group during the financial year was as follows:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (RM'000)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000) (RM'000)
Atlan Holdings Bhd	Immediate holding company	1,600	–

The Company does not have any existing general mandate from shareholders for interested person transactions pursuant to Rule 920 of the Listing Manual.

(H) MATERIAL CONTRACTS

Save for the service agreement entered into between the Executive Director and the Company, there was no material contract entered into by the Company and any of its subsidiaries involving the interests of any Director or controlling shareholders, either still subsisting at the end of FY2024, or if not then subsisting, entered into since the end of the previous financial year ended 28 February 2023.

(I) 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, (ii) 5.5 million treasury shares, (iii) 20 million new ordinary shares, (iv) 30 million new ordinary shares and (v) 34.15 million new ordinary shares in the capital of the Company respectively (total 128.65 million new ordinary shares), raising a total net proceeds of S$43.6 million ("**Placement Exercises**").

As at the date of this Report, the Company has utilised the net proceeds from the Placement Exercises as detailed below:-

Description	**90% for general corporate requirements including but not limited to acquisition and funding of potential business opportunities (S$'000)**	**10% for general working capital including but not limited to renovation and upgrading of business outlets (S$'000)**	**Net total (S$'000)**
Net Proceeds	39,240	4,360	43,600
Net Proceeds utilised as announced on 8 August 2018[(a)], 9 November 2018[(b)], 5 December 2018[(c)] and 7 December 2021[(d)(e)]	18,729	4,348	23,077
Balance of Net Proceeds as at the date of this Report	**20,511**	**12**	**20,523**

(a) US$2.80 million (or approximately S$3.82 million) for the subscription for 2,800,000 new ordinary shares in Brand Connect Holding Pte. Ltd. announced on 8 August 2018;

(b) US$850,000 (or approximately S$1.16 million) for the purchase of inventories and payment of professional fees in relation to the acquisition of Brand Connect Holdings Pte. Ltd. Group announced on 9 November 2018;

(c) US$800,000 (or approximately S$1.10 million) for the purchase of inventories for Brand Connect Holding Pte. Ltd. Group announced on 5 December 2018;

(d) US$10.93 million (or approximately S$14.91 million) for the acquisition of 31,494,575 ordinary shares in DFZ Capital Sdn Bhd announced on 7 December 2021; and

(e) US$1.53 million (or approximately S$2.09 million) for the payment of trade payables due to Heinemann Asia Pacific Pte. Ltd. announced on 7 December 2021.

The amount remaining from the net proceeds as at date of this Report is approximately S$20.52 million and the Company will make periodic announcements as and when the net proceeds from the abovementioned placement exercises is materially disbursed.

Financial **STATEMENTS**

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Duty Free International Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 29 February 2024.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 29 February 2024 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Dato' Sri Adam Sani bin Abdullah	Non-Executive Chairman
Lee Sze Siang	Executive Director
General Tan Sri Dato' Seri Mohd Azumi bin Mohamed (Retired)	Lead Independent Director
Dato' Megat Hisham bin Megat Mahmud	Independent Director
Chew Soo Lin	Independent Director
Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	Independent Director
Haslin binti Osman	Independent Director
Quek Meng Teck, Derrick	Independent Director

Arrangements to enable directors to acquire shares or debentures

Except as described aforesaid and below, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares, warrants or debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act 1967, an interest in shares, warrants or debentures of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	**As at 01.03.2023**	**As at 29.02.2024**	**As at 01.03.2023**	**As at 29.02.2024**
Ordinary shares of the Company				
Dato' Sri Adam Sani bin Abdullah	–	–	905,028,113[(1)]	905,028,113[(1)]
Chew Soo Lin	2,669,399	2,669,399	133,000[(2)]	133,000[(2)]
Ordinary shares in the immediate holding company				
Atlan Holdings Bhd				
Dato' Sri Adam Sani bin Abdullah	–	–	130,319,214[(3)]	130,319,214[(3)]
Chew Soo Lin	3,842,966	3,842,966	–	–

(1) Dato' Sri Adam Sani Bin Abdullah is deemed to have interest in the 905,028,113 shares held by Atlan Holdings Bhd through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, initial Protector and a primary beneficiary of The Lim Family Trust.

(2) Chew Soo Lin is deemed interested in the 133,000 shares held by his mother, Chong Sai Noi @ Chong Mew Leng.

(3) Deemed interested held though Chesterfield Trust Company Limited as Trustees of The Lim Family Trust in Distinct Continent Sdn. Bhd. and Alpretz Capital Sdn. Bhd. by virtue of himself being the Settlor, initial Protector and a primary beneficiary of Trust.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 March 2024.

Except as disclosed in this report, no director who held office at the end of the financial year had an interest in shares, warrants or debentures of the Company or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

Options

There is presently no option scheme on unissued shares of the Company or any related corporation in the Group.

Audit Committee

The Audit Committee (the "AC") carried out its functions in accordance with section 201B (5) of the Singapore Companies Act 1967, including the following:

(a) Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditors' evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

(b) Reviewed the quarterly and annual financial statements and the auditors' report on the annual financial statements of the Group and the Company before their submission to the Board of Directors (the "Board");

(c) Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational, information technology and compliance controls and risk management via reviews carried out by the internal auditors;

(d) Met with the external auditors, internal auditors, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(e) Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(f) Reviewed the cost effectiveness and the independence and objectivity of the external auditors;

(g) Reviewed the nature and extent of non-audit services provided by the external auditors;

(h) Recommended to the Board the external auditors to be nominated, approved the compensation of the external auditors and reviewed the scope and results of the audit;

(i) Reported actions and minutes of the AC to the Board with such recommendations as the AC considered appropriate; and

(j) Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

The AC convened five meetings during the financial year with full attendance from all members. The AC has also met with internal auditors and external auditors, without the presence of the Company's management, at least once during the financial year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board:

Dato' Sri Adam Sani bin Abdullah
Director

Lee Sze Siang
Director

Singapore
21 May 2024

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Duty Free International Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 29 February 2024, the statements of changes in equity of the Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 29 February 2024 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

Key Audit Matters (cont'd)

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

As at 29 February 2024, the net carrying amount of the Group's PPE and ROUA is RM50.2 million and RM108.3 million, which represents 29% and 62% of the non-current assets respectively. During the year ended 29 February 2024, management did not recognise any impairment loss on PPE and an impairment loss of RM84.0 thousand on ROUA based on management's forecasted cashflows for the significant cash-generating units ("CGU") of the Group. Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amount and it involved significant management judgment. Hence, we consider this to be a key audit matter.

For outlets with indicators of impairment, the recoverable amounts of the PPE and ROUA have been determined based on value in use calculations using probability-based cash flow projections approved by management. Our audit procedures included, amongst others, reviewing management's identification of impairment indicators. In evaluating management's estimation of the recoverable amount, we tested management's key assumptions underlying the value-in-use calculation. The key assumptions include the revenues growth rates under various recovery scenarios, budgeted gross margin, budgeted operating costs and discount rates.

We evaluated these estimates based on our knowledge of the business and available industry news providing insights on the different scenarios of possible recovery of the passenger traffic for outlets located at land borders. We assessed the reasonableness of the revenue growth rates and budgeted gross margin, taking into consideration past performance and recovery growth in the current year, by comparing them to industry information on market outlook and expected recovery scenarios. We compared the budgeted operating costs to historical results taking into account the cost optimization measures undertaken by the Group. Where applicable, we also compared the assumptions to financial results available subsequent to year end. We involved our internal valuation specialist to assess the reasonableness of the discount rates by checking to comparable companies in the same industry. We also reviewed the adequacy of the disclosures in Note 11 and Note 24 to the financial statements.

Impairment assessment of goodwill and investment in subsidiaries

The carrying amount of goodwill is RM5.8 million, net of accumulated impairment losses of RM23.0 million as at 29 February 2024. During the year ended 29 February 2024, management did not recognise any further impairment on goodwill. Investment in subsidiaries amounted to RM642.7 million, net of accumulated impairment losses of RM278.5 million as at 29 February 2024. During the year ended 29 February 2024, management recognised net impairment losses on investment in subsidiaries of RM3.3 million based on their expected recoverable values. We considered the audit of management's impairment assessment of these assets to be a key audit matter because the assessment process involved significant management judgment.

Key Audit Matters (cont'd)

Impairment assessment of goodwill and investment in subsidiaries (cont'd)

The recoverable amounts for DFZ Capital Sdn. Bhd. and its subsidiaries have been determined based on the higher of the value-in-use and fair value less cost of disposal calculations, both of which use the probability-based cash flow projections approved by management. For the calculations, we have performed similar procedures as described in key audit matter on Impairment assessment of PPE and ROUA. Additionally, we also involved our internal valuation specialist to assess the reasonableness of the long-term growth rate by comparing it to external data such as economic growth and inflation rate.

For the assumption on renewal of the Group's duty free license agreement, we inquired with senior management on their historical renewal experience and their assessment of the Group's ability to renew the agreement.

For the investment in Darul Metro Sdn. Bhd. ("DM") and Brand Connect Holding Pte. Ltd. ("BCH"), management used the fair value less costs of disposal approach to determine the recoverable amount of the investment. DM is dormant and mainly holds an investment in an investment property through its subsidiary. BCH and its subsidiaries remained dormant during the financial year and has subsequently submitted its application to be struck off on 9 April 2024 in the next financial year. The recoverable amount of DM is based on the adjusted net asset value as at 29 February 2024 which includes the fair valuation of the investment property less the cost of disposal. The recoverable value for BCH is based on the net assets of BCH and its subsidiaries as at 29 February 2024 comprising cash at bank, receivables at estimated realizable values and liabilities at estimated settlement amounts with adjustments made for effect of costs of disposal. We performed procedures to verify the material balances included in the fair value of DM and BCH which includes reviewing the fair value of the investment property by a third party valuer for DM, agreeing the net asset value of BCH upon strike off and reviewing the computation for costs of disposal.

We also reviewed the adequacy of the disclosures in Note 13 and Note 14 to the financial statements.

Other Information

Management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Hah Yanying.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
21 May 2024

Consolidated **INCOME STATEMENT**

For the financial year ended 29 February 2024

	Note	Group 2024 RM'000	Group 2023 RM'000
Revenue	4	157,252	151,797
Changes in inventories		(12,391)	32,044
Inventories purchased and materials consumed		(91,149)	(127,688)
Other income	5	9,613	14,478
Employee benefits expenses	6	(15,391)	(14,459)
Depreciation of property, plant and equipment	11	(3,226)	(3,853)
Depreciation of right-of-use assets	24	(8,708)	(7,609)
Impairment loss on right-of-use assets	24	(84)	(85)
Rental of premises		(1,029)	(5,860)
Commission expenses		(282)	(417)
Professional fees		(724)	(971)
Utilities and maintenance expenses		(2,373)	(2,067)
Gain arising from changes in fair value of options		–	222
Realised foreign exchange (loss)/gain		(80)	58
Unrealised foreign exchange gain		5,723	4,350
Other operating expenses	7	(12,011)	(15,883)
Operating profit		25,140	24,057
Finance costs	8	(7,145)	(6,666)
Profit before tax		17,995	17,391
Income tax expense	9	(3,954)	(1,971)
Profit for the year		14,041	15,420
Attributable to:			
Owners of the Company		14,010	15,569
Non-controlling interests		31	(149)
		14,041	15,420
Earnings per share attributable to owners of the Company (cents per share)			
Basic	10	1.17	1.30
Diluted	10	1.17	1.30

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

Consolidated Statement of **COMPREHENSIVE INCOME**

For the financial year ended 29 February 2024

	Group	
	2024	**2023**
	RM'000	RM'000
Profit for the year	14,041	15,420
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation	478	563
Total comprehensive income for the year	14,519	15,983
Attributable to:		
Owners of the Company	14,769	16,125
Non-controlling interests	(250)	(142)
Total comprehensive income for the year	14,519	15,983

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

Statements of **FINANCIAL POSITION**

As at 29 February 2024

		Group		Company	
	Note	**2024**	**2023**	**2024**	**2023**
		RM'000	RM'000	RM'000	RM'000
Assets					
Non-current assets					
Property, plant and equipment	11	50,188	51,065	–	–
Goodwill	13	5,818	5,818	–	–
Investments in subsidiaries	14	–	–	642,712	646,060
Prepayments	16	4,000	4,000	–	–
Deferred tax assets	17	7,710	7,680	–	–
Right-of-use assets	24	108,289	105,547	–	–
		176,005	174,110	642,712	646,060
Current assets					
Biological assets	12	170	178	–	–
Trade and other receivables	15	37,091	46,533	644	355
Prepayments	16	1,767	5,147	–	–
Inventories	18	78,119	90,047	–	–
Cash and bank balances	19	185,062	156,919	96,892	90,356
Tax recoverable		3,408	5,153	–	–
Derivative assets	23	21	29	–	–
		305,638	304,006	97,536	90,711
Total assets		481,643	478,116	740,248	736,771
Equity and liabilities					
Current liabilities					
Borrowings	20	–	4,009	–	–
Trade and other payables	21	21,082	22,175	833	702
Provision for restoration costs	22	–	198	–	–
Lease liabilities	24	4,414	440	–	–
Income tax payable		1,166	295	422	143
		26,662	27,117	1,255	845
Net current assets		278,976	276,889	96,281	89,866

	Note	Group 2024 RM'000	Group 2023 RM'000	Company 2024 RM'000	Company 2023 RM'000
Non-current liabilities					
Deferred tax liabilities	17	6,044	5,760	1,800	1,719
Lease liabilities	24	99,953	100,076	–	–
Provision for restoration costs	22	704	672	–	–
		106,701	106,508	1,800	1,719
Total liabilities		133,363	133,625	3,055	2,564
Net assets		348,280	344,491	737,193	734,207
Equity attributable to owners of the Company					
Share capital	25	487,903	487,903	978,725	978,725
Treasury shares	25(c)	(22,017)	(22,017)	(22,017)	(22,017)
Other reserves	25(a)	(177,337)	(178,096)	661	661
Retained earnings/(accumulated losses)		57,134	53,854	(220,176)	(223,162)
		345,683	341,644	737,193	734,207
Non-controlling interests		2,597	2,847	–	–
Total equity		348,280	344,491	737,193	734,207
Total equity and liabilities		481,643	478,116	740,248	736,771

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

Statements of CHANGES IN EQUITY

For the financial year ended 29 February 2024

	Attributable to owners of the Company										
	Ordinary shares	Treasury shares	Total other reserves	Foreign currency translation reserve	Net premium paid/ received on transactions with non-controlling interests	Gain on reissuance of treasury shares	Capital reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
Opening balance at 1 March 2023	487,903	(22,017)	(178,096)	61	(178,818)	661	–	53,854	341,644	2,847	344,491
Profit for the year	–	–	–	–	–	–	–	14,010	14,010	31	14,041
Other comprehensive income for the year	–	–	759	759	–	–	–	–	759	(281)	478
Total comprehensive income for the year	–	–	759	759	–	–	–	14,010	14,769	(250)	14,519
Transactions with owners:											
Dividend on ordinary shares (Note 34)	–	–	–	–	–	–	–	(10,730)	(10,730)	–	(10,730)
Total transactions with owners	–	–	–	–	–	–	–	(10,730)	(10,730)	–	(10,730)
Closing balance at 29 February 2024	487,903	(22,017)	(177,337)	820	(178,818)	661	–	57,134	345,683	2,597	348,280

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

	Attributable to owners of the Company										
	Ordinary shares	**Treasury shares**	**Total other reserves**	**Foreign currency translation reserve**	**Net premium paid/ received on transactions with non-controlling interests**	**Gain on reissuance of treasury shares**	**Capital reserve**	**Retained earnings**	**Total equity attributable to owners of the Company**	**Non-controlling interests**	**Total equity**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group											
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 year	–	–	–	–	–	–	–	15,569	15,569	(149)	15,420
Other comprehensive income for the year	–	–	556	556	–	–	–	–	556	7	563
Total comprehensive income for the year	–	–	556	556	–	–	–	15,569	16,125	(142)	15,983
Transactions with owners:											
Exercise of warrants	1	–	–	–	–	–	–	–	1	–	1
Dividend on ordinary shares (Note 34)	–	–	–	–	–	–	–	(7,855)	(7,855)	–	(7,855)
Effect of changes in functional currency of a subsidiary	–	–	(532)	(532)	–	–	–	532	–	–	–
Total transactions with owners	1	–	(532)	(532)	–	–	–	(7,323)	(7,854)	–	(7,854)
Transactions with non-controlling interests:											
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
Closing balance at 28 February 2023	487,903	(22,017)	(178,096)	61	(178,818)	661	–	53,854	341,644	2,847	344,491

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

Company	Ordinary shares RM'000 (Note 25)	Treasury shares RM'000	Others reserve RM'000	Retained earnings/ (accumulated losses) RM'000	Total equity RM'000
Opening balance at 1 March 2023	978,725	(22,017)	661	(223,162)	734,207
Profit for the year	–	–	–	13,716	13,716
Total comprehensive income for the year	–	–	–	13,716	13,716
Transactions with owners:					
Dividend on ordinary shares (Note 34)	–	–	–	(10,730)	(10,730)
Total transactions with owners	–	–	–	(10,730)	(10,730)
Closing balance at 29 February 2024	978,725	(22,017)	661	(220,176)	737,193
Opening balance at 1 March 2022	978,724	(22,017)	661	(319,764)	637,604
Profit for the year	–	–	–	104,457	104,457
Total comprehensive income for the year	–	–	–	104,457	104,457
Transactions with owners:					
Exercise of warrants	1	–	–	–	1
Dividend on ordinary shares (Note 34)	–	–	–	(7,855)	(7,855)
Total transactions with owners	1	–	–	(7,855)	(7,854)
Closing balance at 28 February 2023	978,725	(22,017)	661	(223,162)	734,207

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

Consolidated **CASH FLOW STATEMENT**

For the financial year ended 29 February 2024

	Note	Group 2024 RM'000	Group 2023 RM'000
Cash flows from operating activities			
Profit before tax		17,995	17,391
Adjustments for:			
Depreciation of property, plant and equipment	11	3,226	3,853
Depreciation of right-of-use assets	24	8,708	7,609
Deposit forfeited	5	(68)	(594)
Impairment loss on right-of-use assets	24	84	85
Bad debts written off	7	20	45
Finance costs	8	7,145	6,666
Lease concessions	24	–	(164)
Loss/(gain) arising from changes in fair values of biological assets	12	8	(23)
Gain arising from changes in fair value of options		–	(222)
Gain on disposal of property, plant and equipment	5	(21)	(19)
Interest income	5	(7,472)	(5,744)
Net reversal of inventories written down	5	(463)	(4,435)
Net unrealised foreign exchange gain		(5,723)	(4,350)
Property, plant and equipment written off	7	1	5
Provision/(reversal) of impairment losses on receivables	5,7	87	(382)
(Reversal)/provision of short term accumulating compensated absences	6	(2)	25
Operating cash flows before changes in working capital		23,525	19,746
Changes in working capital			
Decrease in trade and other receivables		9,343	2,579
Increase in prepayments		(159)	(3,872)
Decrease/(increase) in inventories		12,391	(32,045)
(Decrease)/increase in trade and other payables		(724)	13,334
Cash flows generated from/(used in) operations		44,376	(258)
Interest paid		(132)	(136)
Income taxes paid		(1,085)	(1,384)
Net cash flows generated from/(used in) operating activities		43,159	(1,778)

For the financial year ended 29 February 2024

	Note	Group 2024 RM'000	Group 2023 RM'000
Cash flows from investing activities			
Interest received		7,472	5,744
Proceeds from disposal of property, plant and equipment		21	19
Purchase of property, plant and equipment		(2,350)	(303)
Net cash flows generated from investing activities		5,143	5,460
Cash flows from financing activities			
Decrease/(increase) in pledged deposits		2,859	(170)
Payment of lease liabilities	24	(11,158)	(652)
(Repayment of)/proceeds from other short term borrowings	20	(3,960)	3,960
Net repayment of obligations under finance leases	20	(49)	(79)
Dividends paid to the ordinary shareholders of the Company	34	(10,730)	(7,855)
Proceeds from exercise of warrants	25	–	1
Net cash used in financing activities		(23,038)	(4,795)
Net increase/(decrease) in cash and cash equivalents		25,264	(1,113)
Effects of foreign exchange rate changes		5,738	4,461
Cash and cash equivalents at beginning of the year		146,809	143,461
Cash and cash equivalents at end of the year	19	177,811	146,809

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

1. 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.

The registered office and principal place of business of the Company is located at 138 Cecil Street #12-01A Cecil Court, Singapore 069538.

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are disclosed in Note 14 to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)").

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.

2.2 Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial periods beginning on or after 1 March 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective

***Descriptio**n*	***Effective for annual periods beginning on or after***
Amendments to SFRS(I) 16: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to SFRS(I) 1-1: Non-current Liabilities with Covenants	1 January 2024
Amendments to SFRS(I) 7: Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to SFRS(I) 1-21: Lack of Exchangeability	1 January 2025
Amendments to SFRS(I) 10 and SFRS(I): 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiary companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

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

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

- De-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- De-recognises the carrying amount of any non-controlling interest;
- De-recognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss;
- Re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combinations and goodwill

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability are recognised in profit or loss.

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquire are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquire (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

2. Material accounting policy information (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) Business combinations and goodwill (cont'd)

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

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

2.5 Transactions with non-controlling interests

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

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

2.6 Foreign currency

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

(a) Transactions and balances

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

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

2. Material accounting policy information (cont'd)

2.6 Foreign currency (cont'd)

(b) Consolidated financial statements

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

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.17. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

Capital-work-in-progress, which comprise the refurbishment and renovation of building and land improvements are not depreciated as these assets are not available for use.

Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, as follows:

Buildings	Over 40 to 93 years
Golf course	Over 60 years
Furniture and fittings	10 years
Electrical installation and air conditioner	5 to 10 years
Other assets	5 to 24 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2. Material accounting policy information (cont'd)

2.8 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples or other available fair value indicators.

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Bearers trees and biological assets

Bearer trees are living plants used in the production or supply of agricultural produce which are expected to bear produce for more than one period and have a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Bearer trees mainly include mature and oil palm plantations and are recognised as non-current assets measured at cost less accumulated depreciation. Mature plantations are depreciated on a straight-line basis over its estimated useful life of 25 years.

In general, oil palms are considered mature over 30 to 36 months after field planting.

The carrying values of bearer trees are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits.

Bearer trees are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the bearer trees is included in the income statement in the year the bearer plant is derecognised.

Produce that grows on mature plantations are recognised as biological assets measured at fair value less estimated point-of-sale costs. Point-of-sale costs include all costs that would be necessary to sell the produce.

2. Material accounting policy information (cont'd)

2.10 Subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

At initial recognition, the Group measures a financial asset at its fair value, plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Investments in debt instruments</u>

The subsequent measurement of financial assets depends on their classification as follows:

(a) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(b) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the Group. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

2. Material accounting policy information (cont'd)

2.12 Impairment of financial assets

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

For debt instruments at fair value through other comprehensive income ("OCI"), the Group applies the low credit risk simplification. At every reporting date, the Group evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the Group reassesses the internal credit rating of the debt instrument. In addition, the Group considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for on a weighted average basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2. Material accounting policy information (cont'd)

2.15 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Financial liabilities at fair value through profit or loss include financial liabilities held for trading. Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This category includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Subsequent measurement

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial liabilities are recognised in profit or loss.

Financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2. Material accounting policy information (cont'd)

2.18 Employee benefits

(a) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(b) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF") and companies in Singapore make contributions to the Central Provident Fund scheme ("CPF").

(c) Employee leave entitlements

Employee entitlements to annual leave are recognised as a liability when they are accrued to employees. An accrual is made for estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(d) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date in accordance with the provisions of the employment contract and/or local labour laws.

2.19 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2. Material accounting policy information (cont'd)

2.19 Leases (cont'd)

Group as a lessee (cont'd)

(i) Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold land	–	Over 92 years
Land use rights	–	39 to 99 years
Buildings	–	1 to 25 years
Office equipment	–	5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policy in Note 2.8.

(ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2. Material accounting policy information (cont'd)

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. The following specific recognition criteria must also be met before revenue is recognised:

(a) Sale of goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards of ownership of the goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

(b) Consignment sales

The Group acts as an agent to sell consignment goods at their premise. The Group recognises the net amount of consideration that the Group retains after paying the consignor as and when the goods are sold.

(c) Rental income

Rental income is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(d) Revenue from parking operations

Revenue from parking operations is recognised as and when the services are rendered.

(e) Sale of oil palm fresh fruit bunches

Revenue from sale of oil palm fresh fruit bunches is recognised when significant risks and rewards of ownership of goods are transferred to the customer.

(f) Interest income

Interest income is recognised using the effective interest method.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Material accounting policy information (cont'd)

2.21 Taxes (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

– Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

– In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

– Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

– In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of goods and services tax included.

2. Material accounting policy information (cont'd)

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Group who regularly review the segment results for the purpose of making decisions about resource allocation and performance assessment.

Additional disclosures on each of these segments are shown in Note 33, including the factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

The Group's own equity instruments, which are reacquired are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase or cancellation of ordinary shares.

2.24 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

  (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

  (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, 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 consolidated financial statements, apart from those involving estimations described below.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) Impairment of non-financial assets

Management performs impairment testing for the following assets:

- Goodwill;
- Property, plant and equipment;
- Right-of-use assets;
- Investments in subsidiaries

The above non-financial assets are tested whenever there is an indication of impairment, except goodwill which is tested for impairment annually. Impairment is recognised when events and circumstances indicate that the non-financial assets may be impaired and the carrying amounts of the non-financial assets exceed the recoverable amounts. Recoverable amount is defined as the higher of the non-financial assets' fair value less costs to sell and its value-in-use.

When value-in-use calculations are undertaken, Management estimates the recoverable amount based on a discounted cash flow model. The cash flows are derived from the budget approved by the Management. The recoverable amount is sensitive to budgeted gross margin, revenue growth rate as well as the discount rate used for the discounted cash flow model. For impairment assessment of goodwill and investments in subsidiaries, in addition to assumptions mentioned above, the recoverable amount is also sensitive to long term growth rate. Changes in these assumptions may result in changes in recoverable values.

For FY2024, Management's impairment assessment of these assets remains significant to the audit due to magnitude of the amounts. The determination of value-in-use calculations was based on a range of probability-weighted possible outcomes.

The carrying amount of the non-financial assets as at 29 February 2024 and related assumptions are disclosed in their respective notes to the financial statements.

Non-financial assets	Notes to the financial statements
Property, plant and equipment	11
Goodwill	13
Investments in subsidiaries	14
Right-of-use assets	24

4. Revenue

	Group 2024 RM'000	Group 2023 RM'000
Sale of goods	153,907	148,515
Parking operations	1,605	993
Sale of oil palm fresh fruit bunches	1,737	2,286
Rental income	3	3
	157,252	151,797
Timing of transfer of goods and services		
At a point in time	157,252	151,797

5. Other income

	Group 2024 RM'000	Group 2023 RM'000
Interest income from licensed banks	5,033	2,843
Interest income from Berjaya Waterfront Sdn. Bhd. (Note 15)	2,439	2,901
Rental income from property, plant and equipment	414	462
(Loss)/gain arising from changes in fair value of biological assets	(8)	23
Gain on disposal of property, plant and equipment	21	19
Deposit forfeited	68	594
Lease concessions	–	164
Net reversal of inventories written down	463	4,435
Reversal of impairment loss on receivables	–	382
Miscellaneous income	1,183	2,655
	9,613	14,478

Included in miscellaneous income were government grants of RM Nil (2023: RM535,000) received by the Group under the wage subsidy programmes introduced in Malaysia and Singapore in response to the COVID-19 pandemic.

6. Employee benefits expenses

	Group	
	2024	**2023**
	RM'000	RM'000
Wages and salaries	12,885	12,310
Contributions to defined contribution plan	1,540	1,352
Accommodation benefits	142	137
Staff welfare	49	39
Social security contributions	181	160
Medical benefits	64	54
(Reversal)/provision of short term accumulating compensated absence	(2)	25
Staff uniforms	14	8
Other benefits	518	374
	15,391	14,459

7. Other operating expenses

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

	Group	
	2024	**2023**
	RM'000	RM'000
Non-executive directors' remuneration	513	488
Assessment and quit rent	1,097	1,067
Auditors' remuneration:		
Audit fees:		
- Auditors of the Company	263	263
- Other auditors	535	740
Non-audit fees:		
- Auditors of the Company	15	20
- Other auditors	6	35
Bank charges	1,117	1,104
Bad debts written off	20	45
Donations	266	410
GST related expenses	–	1,225
Impairment loss on receivables	87	–
Insurance expenses	810	614
Management fees	1,600	1,600
Payment in relation to settlement with Customs*	–	1,500
Property, plant and equipment written off	1	5

* On 6 July 2022, the Company's subsidiary, Seruntun Maju Sdn. Bhd. ("SMSB"), amicably reached a settlement with the Royal Malaysian Customs ("Customs") whereby Customs has terminated all prosecution and investigation instituted against SMSB and four of its officers. The settlement was recorded as a Consent Order in the High Court of Taiping and on 15 July 2022, SMSB paid a settlement payment of RM1,500,000 to Customs with no admission of guilt or liability. With the above-mentioned settlement with Customs, the said matter with Customs has therefore been resolved.

8. Finance costs

	Group	
	2024	**2023**
	RM'000	RM'000
Interest expense on:		
- Bank borrowings	131	132
- Obligations under finance leases	1	5
- Lease liabilities	7,013	6,529
	7,145	6,666

9. Income tax expense

Major components of income tax expense

The major components of income tax expense for the financial years ended 29 February 2024 and 28 February 2023 are:

	Group	
	2024	**2023**
	RM'000	RM'000
Consolidated income statement:		
Current income tax:		
Current income taxation	3,684	2,902
Under/(over) provision in respect of previous years	16	(377)
	3,700	2,525
Deferred income tax (Note 17):		
Origination and reversal of temporary differences	224	(83)
Under/(over) provision in respect of previous years	30	(471)
	254	(554)
Income tax expense recognised in profit or loss	3,954	1,971

9. Income tax expense (cont'd)

Relationship between income tax expense and accounting profit

A reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 29 February 2024 and 28 February 2023 is as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Profit before tax	17,995	17,391
Tax at Malaysia's statutory rate of 24% (2023: 24%)	4,319	4,174
Adjustments:		
Income not subject to taxation	(13)	(37)
Non-deductible expenses	278	1,473
Effect of different tax rates in other country	(498)	(271)
Effect of tax relief	(90)	(84)
Utilisation of deferred tax assets previously not recognised	(239)	(2,697)
Deferred tax assets not recognised	151	261
Under/(over) provision of deferred tax in respect of previous years	30	(471)
Under/(over) provision of current tax in respect of previous years	16	(377)
Income tax expense recognised in profit or loss	3,954	1,971

10. Earnings per share

Basic earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year. Diluted earnings per share are calculated by dividing profit, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following tables reflect the loss and share data used in the computation of basic and diluted earnings per share for the years ended 29 February 2024 and 28 February 2023, respectively:

	Group	
	2024	**2023**
Earnings net of tax, attributable to owners of the Company used in the computation of basic and diluted earnings per share from continuing operations (RM'000)	14,010	15,569
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,198,200	1,198,200
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,198,200	1,198,200

11. Property, plant and equipment

Group	Buildings	Golf course	Bearer trees	Capital work-in-progress	Furniture and fittings	Electrical installation and air conditioner	Other assets	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Cost:								
At 1 March 2022	35,731	44,648	2,825	–	3,618	5,094	43,029	134,945
Additions	–	–	–	226	–	30	135	391
Disposals	–	–	–	–	–	–	(192)	(192)
Written-off	–	–	–	–	–	(15)	(357)	(372)
Exchange difference	–	–	–	–	(2)	–	(1)	(3)
At 28 February 2023 and 1 March 2023	35,731	44,648	2,825	226	3,616	5,109	42,614	134,769
Additions	–	–	–	1,285	6	79	980	2,350
Disposals	–	–	–	–	–	–	(224)	(224)
Written-off	–	–	–	–	(145)	(120)	(1,072)	(1,337)
Reclassification	–	–	–	(106)	5	(84)	185	–
At 29 February 2024	35,731	44,648	2,825	1,405	3,482	4,984	42,483	135,558
Accumulated depreciation and impairment losses:								
At 1 March 2022	19,983	17,940	1,196	–	3,106	3,395	34,793	80,413
Depreciation charge for the year	510	766	113	–	196	207	2,061	3,853
Disposals	–	–	–	–	–	–	(192)	(192)
Written-off	–	–	–	–	–	(11)	(356)	(367)
Exchange difference	–	–	–	–	(2)	–	(1)	(3)
At 28 February 2023 and 1 March 2023	20,493	18,706	1,309	–	3,300	3,591	36,305	83,704
Depreciation charge for the year	510	766	113	–	151	193	1,493	3,226
Disposals	–	–	–	–	–	–	(224)	(224)
Written-off	–	–	–	–	(144)	(120)	(1,072)	(1,336)
At 29 February 2024	21,003	19,472	1,422	–	3,307	3,664	36,502	85,370
Net carrying amount:								
At 29 February 2024	14,728	25,176	1,403	1,405	175	1,320	5,981	50,188
At 28 February 2023	15,238	25,942	1,516	226	316	1,518	6,309	51,065

Other assets comprise of office equipment, computer, renovations, and motor vehicles.

11. Property, plant and equipment (cont'd)

Company	Office equipment and computer RM'000
Cost:	
At 1 March 2022, 28 February 2023, 1 March 2023 and 29 February 2024	5
Accumulated depreciation:	
At 1 March 2022, 28 February 2023, 1 March 2023 and 29 February 2024	5
Net carrying amount:	
At 28 February 2023, 29 February 2024	–

(a) Addition of property, plant and equipment

During the financial year, the Group acquired property, plant and equipment by the following means:

	Group	
	2024 RM'000	**2023** RM'000
Cash payment	2,350	303
Capitalisation of restoration costs	–	88
	2,350	391

The net carrying amount of motor vehicles held by the Group under finance leases at the end of the reporting period was RM Nil (2023: RM49,000).

(b) Impairment review

During the current financial year, the management performed a review on the recoverable amount of the property, plant and equipment and right-of-use assets (Note 24).

The cash-generating units ("CGU") recoverable amounts of the property, plant and equipment and right-of-use assets (Note 24) have been determined based on value-in-use calculations using probability-weighted cash flow projections approved by management. The pre-tax discount rate applied to cash flow projections is 13.6% to 23.5% (2023: 7.6% to 18.2%).

For the financial year ended 29 February 2024, management recognised impairment loss on right-of-use assets of RM84,000 (2023: RM85,000) (Note 24) and no impairment loss on property, plant and equipment (2023: RM Nil).

12. Biological assets

	Group	
	2024	**2023**
	RM'000	RM'000
At fair value:		
At 1 March	178	155
(Loss)/gain arising from changes in fair values	(8)	23
At 29/28 February	170	178

Mature oil palm trees produce fresh fruit bunches ("FFB"), which are used to produce Crude Palm Oil ("CPO") and Palm Kernel ("PK"). The fair values of bearer fruits are determined by using the total sales figure in the following month with the assumptions that all the fruits harvested are sold subsequently to the customer.

During the year, the Group's bearer fruits produced approximately 2,500 tonnes (2023: 2,600 tonnes) of FFB. The selling prices per tonne for those FFB ranged between RM1,900 to RM4,200 (2023: RM2,200 to RM5,900). The selling prices per tonne for those FFB were based on a calculation using the periodic market prices of CPO and PK and contracted pre-determined extraction rates of CPO and PK as agreed with the buyer of FFB crop.

13. Goodwill

	Group	
	2024	**2023**
	RM'000	RM'000
Cost		
At 1 March, 29/28 February	28,816	28,816
Accumulated impairment losses		
At 1 March, 29/28 February	22,998	22,998
Net carrying amount at end of year	5,818	5,818

Impairment testing of goodwill

The carrying amount of goodwill relates to the following business segment:

Emas Kerajang Sdn. Bhd.	5,818	5,818

The recoverable amount of the CGUs was determined based on value-in-use calculations using probabilities-weighted cash flow projections from financial forecasts with key assumptions approved by management covering a five-year period.

In the financial year ended 29 February 2024 and 28 February 2023, no impairment loss has been recognised by management on goodwill arising from acquisition of these CGUs.

13. Goodwill (cont'd)

Key assumptions used in the discounted cash flow models were revenue growth rates, budgeted gross margins, ability to renew duty free licenses, discount rates, and long-term growth rate.

(i) The revenue projection for the first year was determined based on financial budget prepared. Revenue growth rates for FY2025 to FY2029 range between 5% to 10% (2023: Revenue growth rates for FY2024 to FY2028 range between 3% to 48%).

(ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment was 18.5% (2023: range of 22% to 24%) 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 is assumed that the licences will be renewed upon their expiry on terms and conditions which are 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% (2023: 2.2%).

(v) The pre-tax discount rate applied to the cash flow projections was 14.3% to 14.5% based on weighted average cost of capital of the Group (2023: 15.4% to 15.6%).

Sensitivity analysis

With regard to the assessment of value-in-use of the CGU, management believes that no reasonably possible changes in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

14. Investments in subsidiaries

	Company	
	2024	**2023**
	RM'000	RM'000
Equity shares, at cost	921,239	921,239
Allowance for impairment losses	(278,527)	(275,179)
Total	642,712	646,060
Movement in allowance account:		
At 1 March	(275,179)	(364,980)
Addition for the year	(3,348)	–
Reversal for the year	–	89,801
At 29/28 February	(278,527)	(275,179)

14. Investments in subsidiaries (cont'd)

Impairment testing of investments in subsidiaries

During the current financial year, the management performed a review on the recoverable amount of the investments in subsidiaries. The recoverable amounts of the investments in subsidiaries, except for Brand Connect Holding Pte. Ltd. ("BCH"), were estimated based on value-in-use calculations derived from cash flow projections. Key assumptions adopted in the value-in-use calculations include revenue projections, gross margins, discount rates and terminal growth rate. Based on the assessment, an impairment loss of RM3,695,000 (2023: reversal of impairment loss of RM92,054,000) was recognised during the financial year when the recoverable amount is below the carrying amount of investment in subsidiaries.

For investment in BCH, the application for striking off of BCH and its subsidiaries was submitted on 9 April 2024, fair value less costs of disposal approach was used to determine the recoverable amount of the investment. A reversal of impairment loss of RM347,000 (2023: impairment loss of RM2,253,000) was recognised for year ended 29 February 2024 based on the net assets of BCH and its subsidiaries as at 29 February 2024 with adjustments made to estimate the amount expected to be received by the Company from its striking off.

(a) Composition of the Group

The Group has the following significant investments in subsidiaries.

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest		Cost of investment	
			2024	2023	2024	2023
			%	%	RM'000	RM'000
Held by the Company						
DFZ Capital Sdn. Bhd. ^	Malaysia	Investment holding	100.00	100.00	678,039	678,039
Darul Metro Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00	230,645	230,645
Orchard Boulevard Sdn. Bhd. ^	Malaysia	Investment holding and resort development	100.00	100.00	*	*
Zon Duty Free Pte. Ltd. #	Singapore	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00	*	*
Brand Connect Holding Pte. Ltd. #***	Singapore	Investment holding	77.78	77.78	12,555	12,555
					921,239	921,239

* Cost of investment less than RM500.

14. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest 2024 %	2023 %
Held by DFZ Capital Sdn. Bhd.				
DFZ Trading Sdn. Bhd. ^	Malaysia	Investment holding and management services	100.00	100.00
Selasih Ekslusif Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00
Winner Prompt Sdn. Bhd. ^	Malaysia	Licensed distributor and wholesaler of duty free merchandise	100.00	100.00
Emas Kerajang Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.90	69.90
Seruntun Maju Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.80	69.80
Held by Darul Metro Sdn. Bhd.				
Binamold Sdn. Bhd.^	Malaysia	Property investment	100.00	100.00
Held by Orchard Boulevard Sdn. Bhd.				
Gold Vale Development Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
Kelana Megah Sdn. Bhd. ^**	Malaysia	Property investment	41.60	41.60
Cergasjaya Properties Sdn. Bhd. ^	Malaysia	Resort development and properties management and cultivation of oil palm	100.00	100.00
Black Forest Golf and Country Club Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
Tenggara Senandung Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
DFZ Asia Sdn. Bhd. ^	Malaysia	Investment holding	100.00	100.00
PT DFZ Indon	Indonesia	Dormant	99.00	99.00

14. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest 2024 %	2023 %
Held by Brand Connect Holding Pte. Ltd.				
Drinks Hub Asia Pte. Ltd. #***	Singapore	Wholesales of alcoholic beverages and soft drinks	100.00	100.00
Brand Connect Asia Pacific Pte. Ltd. #***	Singapore	Wholesales of alcoholic beverages and soft drinks	100.00	100.00
Held by DFZ Trading Sdn. Bhd.				
Cergasjaya Sdn. Bhd. ^	Malaysia	Wholesaler and retailer of duty free and non-dutiable merchandise	100.00	100.00
Melaka Duty Free Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	51.00	51.00
DFZ Duty Free Supplies Sdn. Bhd. ^	Malaysia	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00
Jasa Duty Free Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00
DFZ Emporium Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	29.30	29.30
DFZ (M) Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	69.89	69.89
Wealthouse Sdn. Bhd. ^**	Malaysia	Retailer of duty free and non-dutiable merchandise	28.60	28.60
Jelita Duty Free Supplies Sdn. Bhd. ^	Malaysia	Wholesaler and distributor of duty free and non-dutiable merchandise	100.00	100.00
DFZ Duty Free (Langkawi) Sdn. Bhd. ^	Malaysia	Retailer of duty free and non-dutiable merchandise	100.00	100.00

14. Investments in subsidiaries (cont'd)

(a) Composition of the Group (cont'd)

Name of company	Country of incorporation and principal place of business	Principal activities	Proportion of ownership interest 2024 %	2023 %
Held by DFZ Trading Sdn. Bhd. (cont'd)				
Zon Emporium Sdn. Bhd. ^	Malaysia	Dormant	100.00	100.00
DFZ Utara Sdn. Bhd. ^*	Malaysia	Dormant	–	100.00
Held by DFZ Asia Sdn. Bhd.				
PT DFZ Indon	Indonesia	Dormant	1.00	1.00
Held by Brand Connect Asia Pacific Pte. Ltd.				
Brand Connect Pte. Ltd. #***	Singapore	Retail sale of beverages	100.00	100.00

^ Audited by Ernst & Young, Chartered Accountants (Malaysia), a member firm of the Malaysian Institute of Accountants

Audited by other firms of Certified Public Accountants

* Company was struck off with effect from 4 March 2024

** Accounted as subsidiaries with 100% effective ownership as the Group has full control in the entities through the terms of non-voting Convertible Redeemable Preference Shares and shareholder agreements entered into by the Group and the non-controlling interest

*** Submitted striking off application on 9 April 2024

15. Trade and other receivables

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Trade receivables				
Third parties	1,380	2,199	–	–
Allowance for impairment	–	(218)	–	–
Trade receivables, net	1,380	1,981	–	–
Other receivables				
Deposits	4,168	3,064	–	–
Due from Berjaya Waterfront Sdn. Bhd.	30,098	40,338	–	–
Sundry receivables	1,606	1,218	644	355
Allowance for impairment	(161)	(68)	–	–
Other receivables, net	35,711	44,552	644	355
Total trade and other receivables	37,091	46,533	644	355
Add: Cash and bank balances (Note 19)	185,062	156,919	96,892	90,356
Total financial assets at amortised cost	222,153	203,452	97,536	90,711

Trade receivables

Trade receivables are non-interest bearing and are generally on 14 to 90 days' terms. Other credit terms are assessed and approved on a case-by-case basis.

Trade receivables are recognised at their original invoice amounts, which represent their fair values on initial recognition.

Related party balances

Included in sundry receivables for the Company are amounts due from subsidiaries of RM131,000 (2023: RM101,000), which are unsecured, non-interest bearing and repayable on demand.

15. Trade and other receivables (cont'd)

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, is 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 2024. In July 2023, the Group entered into an agreement with BWSB to offset the rental payments due from the Group's subsidiary, Selasih Ekslusif Sdn Bhd against the RM40.0 million balance receivable from BWSB. As at 15 April 2024, a rental payable of RM11.7 million had been set off against the total outstanding receivable from BWSB, resulting in an outstanding receivable balance from BWSB of RM28.3 million (excluding interest receivables).

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

The amount is guaranteed by BWSB's holding company.

Trade receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment are as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Trade receivables – nominal amounts	–	218
Less: Allowance for impairment	–	(218)
	–	–
Movement in allowance account:		
At 1 March	218	746
Reversal for the year	(6)	(339)
Written-off during the year	(212)	(216)
Exchange difference	–	27
At 29/28 February	–	218

15. Trade and other receivables (cont'd)

Other receivables that are impaired

The Group's other receivables that are impaired at the end of the reporting period and the movement of the allowance account used to record the impairment are as follows:

	Individually impaired Group	
	2024	**2023**
	RM'000	RM'000
Other receivables – nominal amounts	161	68
Less: Allowance for impairment	(161)	(68)
	–	–
Movement in allowance account:		
At 1 March	68	141
Charge/(reversal) for the year	93	(43)
Written-off during the year	–	(30)
At 29/28 February	161	68

Receivables that are impaired

Trade and other receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in legal dispute or financial difficulties, and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements. The Group has provided for lifetime expected credit losses for all trade receivables using a provision matrix. Please refer to Note 31(a).

16. Prepayments

	Group	
	2024	**2023**
	RM'000	RM'000
Current		
Prepaid rental	–	3,400
Prepaid other operating expenses	1,767	1,747
	1,767	5,147
Non-current		
Prepaid development return*	4,000	4,000
Total prepayments	5,767	9,147

Included in prepaid rental was the rental paid in advance by the Group in relation to one of the Group's retail outlets.

* Related to development return paid to the State Government of Johor and City Council of Johor.

17. Deferred tax assets/(liabilities)

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
At 1 March	1,920	1,366	(1,719)	(1,655)
Recognised in profit or loss	(254)	554	(81)	(64)
At 29/28 February	1,666	1,920	(1,800)	(1,719)
Presented after appropriate offsetting as follows:				
Deferred tax assets	7,710	7,680	–	–
Deferred tax liabilities	(6,044)	(5,760)	(1,800)	(1,719)
Net deferred tax assets/(liabilities)	1,666	1,920	(1,800)	(1,719)

The components and movements of deferred tax liabilities and assets during the financial year prior to offsetting are as follows:

Deferred tax assets of the Group:

	Unutilised tax losses and unabsorbed capital allowances	**Lease liabilities**	**Total**
	RM'000	RM'000	RM'000
At 1 March 2022	3,733	23,212	26,945
Recognised in profit or loss	(95)	1,297	1,202
At 28 February 2023 and 1 March 2023	3,638	24,509	28,147
Recognised in profit or loss	(1,096)	70	(1,026)
At 29 February 2024	2,542	24,579	27,121

17. Deferred tax assets/(liabilities) (cont'd)

Deferred tax liabilities of the Group:

	Property, plant and equipment RM'000	Right-of-use assets RM'000	Others RM'000	Total RM'000
At 1 March 2022	(5,002)	(20,081)	(496)	(25,579)
Recognised in profit or loss	295	(504)	(439)	(648)
At 28 February 2023 and 1 March 2023	(4,707)	(20,585)	(935)	(26,227)
Recognised in profit or loss	253	811	(292)	772
At 29 February 2024	(4,454)	(19,774)	(1,227)	(25,455)

Deferred tax assets have not been recognised in respect of the following items:

	Group	
	2024 RM'000	2023 RM'000
Unutilised tax losses	245,732	246,070
Unabsorbed capital allowances	48,392	48,340
Other deductible temporary differences	105,344	105,419
Lease liabilities	199	204
	399,667	400,033

At the end of the reporting year, the Group has unutilised tax losses of RM255,949,000 (2023: RM260,550,000) and unabsorbed capital allowances of RM49,175,000 (2023: RM49,290,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the taxation authorities and compliance with certain provisions in the tax legislation of the respective countries in which the companies operate.

The expiry date of the Group's unutilised tax losses are as follows:

	Group	
	2024 RM'000	2023 RM'000
Within 5 years	225,048	225,766
Within 6 to 10 years	30,901	34,784
	255,949	260,550

18. Inventories

	Group	
	2024	**2023**
	RM'000	RM'000
Statement of financial position:		
Trading goods	77,960	89,806
Consumables	159	241
Total inventories at lower of cost and net realisable value	78,119	90,047
Consolidated income statement:		
Inventories recognised as an expense in cost of sales	103,540	95,644
Inventories recognised as an expense in other operating expenses		
Inclusive of the following charge:		
- Net reversal of inventories written down	(463)	(4,435)

19. Cash and bank balances

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Cash at banks and on hand	74,427	73,584	15,056	17,131
Deposits with licensed banks	110,635	83,335	81,836	73,225
	185,062	156,919	96,892	90,356

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Deposits with licensed banks of the Group amounting to RM7,251,000 (2023: RM10,110,000) are pledged to banks for credit facilities granted to certain subsidiaries as disclosed in Note 20. Deposits with licensed banks are readily convertible to cash and are subject to insignificant risk of changes in value, and earn interest at the respective deposit rates. The weighted average effective interest rate as at 29 February 2024 for the Group and the Company were 3.39% (2023: 2.58%) and 4.28% (2023: 3.31%) per annum respectively.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Cash and deposits with licensed banks	185,062	156,919	96,892	90,356
Deposits pledged with licensed banks	(7,251)	(10,110)	–	–
Cash and cash equivalents	177,811	146,809	96,892	90,356

19. Cash and bank balances (cont'd)

Cash and short term deposits denominated in foreign currencies at the end of reporting period are as follows:

	Group		Company	
	2024	**2023**	**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000
Singapore Dollar (SGD)	76,299	68,710	76,284	68,655
United States Dollar (USD)	10,551	8,788	5,713	5,086
	86,850	77,498	81,997	73,741

20. Borrowings

		Group	
		2024	**2023**
	Maturity	RM'000	RM'000
Current			
Secured:			
Bankers' acceptances	FY2024	–	3,960
Obligations under finance leases (Note 26)	FY2024	–	49
Total loan and borrowings		–	4,009

Bankers' acceptances

Bankers' acceptances are denominated in Ringgit Malaysia ('RM') with weighted average effective interest rate of 4.49% for financial year 2023.

Obligations under finance leases

These obligations are secured by a charge over the leased assets (Note 26). The average discount rate implicit in the leases of the Group is 2.99% per annum for financial year 2023.

The bankers' acceptances are secured by way of:

- deposits with licensed banks amounting to RM7,251,000 (2023: RM10,110,000); and
- corporate guarantees from a subsidiary, DFZ Capital Sdn Bhd.

Other information on financial risks of borrowings is disclosed in Note 31.

20. Borrowings (cont'd)

A reconciliation of liabilities arising from financing activities is as follows:

	2023	Cash flows	Non-cash changes			2024
			Additions	Interest expense	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other short term borrowings	3,960	(3,960)	–	–	–	–
Obligations under finance leases	49	(49)	–	–	–	–
Lease liabilities	100,516	(11,158)	7,996	7,013	–	104,367
Total	104,525	(15,167)	7,996	7,013	–	104,367

	2022	Cash flows	Non-cash changes			2023
			Additions	Interest expense	Others	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Other short term borrowings	–	3,960	–	–	–	3,960
Obligations under finance leases	128	(79)	–	–	–	49
Lease liabilities	94,291	(652)	465	6,529	(117)	100,516
Total	94,419	3,229	465	6,529	(117)	104,525

21. Trade and other payables

	Group		Company	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Trade payables				
Third parties	14,656	15,815	–	–
Other payables				
Accruals	1,585	1,922	777	649
Accrued payroll related expenses	1,035	1,292	–	–
Rental payables	1,081	798	–	–
Other deposits received	177	287	–	–
Royalty payables	1,588	1,043	–	–
Sundry payables	960	1,018	56	53
	6,426	6,360	833	702
Total trade and other payables	21,082	22,175	833	702
Add: Borrowings (Note 20)	–	4,009	–	–
Less: Goods and Services Tax payable	–	(1)	–	–
Total financial liabilities carried at amortised cost	21,082	26,183	833	702

21. Trade and other payables (cont'd)

(a) Trade payables

Trade payables are non-interest bearing and the normal trade credit terms granted to the Group ranges from 30 to 90 days (2023: 30 to 90 days).

Trade payables denominated in foreign currencies are as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Great Britain Pound (GBP)	154	234
Singapore Dollar (SGD)	273	256
United States Dollar (USD)	9,303	7,839
	9,730	8,329

Further details on related party transactions are disclosed in Note 29.

Other information on financial risks of trade and other payables are disclosed in Note 31.

22. Provision for restoration costs

	Group	
	2024	**2023**
	RM'000	RM'000
At 1 March	870	782
Provision during the year	–	88
Written off during the year	(166)	–
At 29/28 February	704	870
Analysis of present value of restoration costs:		
Not later than 1 year	–	198
Later than 1 year and not later than 2 years	704	672
	704	870
Less: Amount due within 12 months	–	(198)
Amount due after 12 months	704	672

Provision for restoration costs is recognised when the Group entered into a lease agreement for the premises and represents the estimated costs of asset dismantlement, removal or restoration of premises. The premises, which are capitalised and included in right-of-use assets and property, plant and equipment, shall be reinstated to the condition set up in the lease agreements upon the expiration of the lease agreements.

23. Derivatives

	2024		2023	
	Notional amount RM'000	**Assets** RM'000	**Notional amount** RM'000	**Assets** RM'000
Group				
Forward currency contracts	596	21	1,093	29

	2024 RM'000	**2023** RM'000
Current	21	29

The Group uses forward foreign exchange contracts to manage some of its transaction exposure. These contracts are not designated as cash flow or fair value hedges and are entered into for periods consistent with currency translation exposure and fair value changes exposure. Such derivatives do not qualify for hedge accounting. The derivatives represent total financial assets at fair value through profit or loss, classified as held for trading.

24. Right-of-use assets and lease liabilities

Group as a lessor

The Group has entered into operating leases on its land use rights, buildings and advertisement space. These leases have terms of less than 1 year to 3 years. Rental income recognised by the Group during the year is RM451,000 (2023: RM494,000).

Future minimum rentals receivable under non-cancellable operating lease are as follows:

	Land use rights RM'000	**Building** RM'000	**Advertisement space** RM'000	**Total** RM'000
At 29 February 2024				
Within one year	40	202	17	259
After one year but not more than five years	–	27	–	27
At 28 February 2023				
Within one year	120	262	15	397
After one year but not more than five years	40	129	–	169

24. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee

The Group has lease contracts for leasehold land, land use rights, buildings (office premises, retail outlets, warehouse, staff quarters) and office equipment used for its operations. Leased premises generally have lease terms of 1 to 18 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning or subleasing the leased assets. There are several lease contracts that include extension and termination options and variable lease payments.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Leasehold land	Land use rights	Buildings	Office equipment	Total
	RM'000	RM'000	RM'000	RM'000	RM'000
Group					
At 1 March 2023	13,605	7,644	84,286	12	105,547
Additions	–	6,194	5,340	–	11,534
Depreciation expense	(262)	(788)	(7,654)	(4)	(8,708)
Impairment losses	–	–	(84)	–	(84)
At 29 February 2024	13,343	13,050	81,888	8	108,289
At 1 March 2022	13,867	7,852	91,041	16	112,776
Additions	–	–	465	–	465
Depreciation expense	(262)	(208)	(7,135)	(4)	(7,609)
Impairment losses	–	–	(85)	–	(85)
At 28 February 2023	13,605	7,644	84,286	12	105,547

Please refer to Note 11(b) to the financial statements for details on the impairment assessment of the right-of-use assets.

Set out below are the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

	Group	
	2024	**2023**
	RM'000	RM'000
At 1 March	100,516	94,291
Additions*	7,996	465
Accretion of interest	7,013	6,529
Lease concessions	–	(117)
Payments	(11,158)	(652)
At 29/28 February	104,367	100,516
Current	4,414	440
Non-current	99,953	100,076

* The addition of lease liabilities was netted off by the prepaid rental of RM3,400,000 (Note 16).

24. Right-of-use assets and lease liabilities (cont'd)

Group as a lessee (cont'd)

The maturity analysis of lease liabilities are disclosed in Note 31(b).

The following are the amount recognised in profit or loss:

	Group	
	2024	**2023**
	RM'000	RM'000
Depreciation expense of right-of-use assets	8,708	7,609
Interest expense on lease liabilities	7,013	6,529
Expenses relating to short-term leases (included in rental of premises)	638	1,134
Lease concessions	–	(117)
Lease concessions related to prior year	–	(47)
Variable lease payments (included in rental of premises)	581	4,939
Total amount recognised in profit or loss	16,940	20,047

The Group had total cash outflows for leases of RM12,377,000 in 2024 (2023: RM6,561,000). The Group also had non-cash additions to right-of-use assets and lease liabilities of RM7,996,000 in 2024 (2023: RM465,000).

The future cash outflows which are not capitalised in lease liabilities:

Variable lease payments

The Group has lease contracts for retail stores that contain variable lease payments based on a percentage of sales generated by the stores, on top of fixed payments. Such variable lease payments are recognised in profit or loss when incurred and amounted to RM581,000 (2023: RM4,939,000) for the financial year ended 29 February 2024.

25. Share capital

	Number of ordinary shares		Amount	
	2024	**2023**	**2024**	**2023**
	'000	'000	RM'000	RM'000
Group				
At 1 March	1,198,200	1,198,199	487,903	487,902
Conversion of warrants	–	1	–	1
At 29/28 February	1,198,200	1,198,200	487,903	487,903
Company				
At 1 March	1,198,200	1,198,199	978,725	978,724
Conversion of warrants	–	1	–	1
At 29/28 February	1,198,200	1,198,200	978,725	978,725

25. Share capital (cont'd)

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

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

(a) Other reserves

		Group	
		2024	**2023**
		RM'000	RM'000
Group			
Foreign currency translation reserve	(i)	820	61
Premium paid on acquisition of non-controlling interests	(ii)	(178,818)	(178,818)
Gain on reissuance of treasury shares	(iii)	661	661
		(177,337)	(178,096)
Company			
Other reserves		661	661

(i) The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(ii) Pursuant to the MGO ("Compulsory Acquisition") exercise undertaken by the Company, the difference between the carrying amount of non-controlling interests at the point of acquisition and the consideration paid was reflected as premium paid. The Compulsory Acquisition was completed on 1 April 2011.

This reserve also includes the excess of the consideration received over the carrying value of the equity interest acquired from non-controlling interests.

(iii) This represents the gain arising from the sale of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

(b) Share premium

Share premium represents the excess of consideration received from the issue of shares over the nominal (par) value, which is based on the Companies Act 1965 (Malaysia). This is presented in the consolidated financial statements consistent with reverse acquisition accounting principles, which reflect the equity balances of DFZ Capital Sdn. Bhd. and Darul Metro Sdn. Bhd.. On 31 January 2017, the Companies Act 2016 (Malaysia's CA2016) came into force. As a result, the share premium was reclassified to share capital balances.

(c) Treasury shares

Treasury shares relate to ordinary shares of the Company that is held by the Company.

26. Obligations under finance leases

	Group 2024 RM'000	Group 2023 RM'000
Future minimum lease payments:		
Not later than 1 year	–	50
Later than 1 year and not later than 2 years	–	–
Total future minimum lease payments	–	50
Less: Future finance charges	–	(1)
Present value of finance lease liabilities	–	49
Analysis of present value of finance lease liabilities:		
Not later than 1 year	–	49
Later than 1 year and not later than 2 years	–	–
	–	49
Less: Amount due within 12 months	–	(49)
Amount due after 12 months	–	–

In 2023, the Group had hire purchase contracts on property, plant and equipment. There were no restrictions placed upon the Group by entering into these leases.

27. Commitments

Capital commitments

Capital expenditure approved as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group 2024 RM'000	Group 2023 RM'000
Capital expenditure		
Property, plant and equipment	2,473	3
Development return	9,500	9,500
	11,973	9,503

Included in capital expenditure is RM9,500,000 (2023: RM9,500,000) in relation to development return payable to the State Government of Johore and City Council of Johore.

28. Contingent liabilities

	Company	
	2024	**2023**
	RM'000	RM'000
Corporate guarantees for borrowings and banking facilities to certain subsidiaries	19,150	47,150

29. Related party disclosures

An entity or individual is considered a related party of the Group for the purpose of the financial statements if: i) it possesses the ability, directly or indirectly, to control or exercise significant influence over the operating and financial decisions of the Group or vice versa; or ii) it is subject to common control.

(a) *Significant transactions*

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties, who were not members of the Group, took place at terms agreed between the parties during the financial year:

	Group	
	2024	**2023**
	RM'000	RM'000
Related companies:		
- Management fee *	1,600	1,600
Related party:		
- Donation to Yayasan Harmoni *	250	200

(i) Management fees were made according to negotiated prices between the parties.

* The Non-Executive Chairman of the Company is the founder and executive chairman of Yayasan Harmoni.

Information regarding outstanding balances arising from related party transactions as at 29 February 2024 and 28 February 2023 are disclosed in Note 15 and Note 21.

(b) *Compensation of key management personnel*

The remuneration of certain directors and other members of key management during the year are as follows:

	Group	
	2024	**2023**
	RM'000	RM'000
Short-term employee benefits	1,820	1,445
Defined contribution plan	169	162
	1,989	1,607
Comprise amounts paid to:		
Directors of the Company	419	390
Other key management personnel	1,570	1,217
	1,989	1,607

30. Fair value of assets and liabilities

(a) 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 active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other that 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.

(b) Assets and liabilities measured at fair values

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

	Quoted prices in active markets for identical instruments (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant un-observable inputs (Level 3)**	**Total**
	RM'000	RM'000	RM'000	RM'000
Group				
At 29 February 2024				
Non-financial assets:				
- Biological assets (Note 12)	–	–	170	170
Financial assets:				
Derivatives (Note 23)				
- Forward currency contracts	–	21	–	21
At 28 February 2023				
Non-financial assets:				
- Biological assets (Note 12)	–	–	178	178
Financial assets:				
Derivatives (Note 23)				
- Forward currency contracts	–	29	–	29

30. Fair value of assets and liabilities (cont'd)

(c) Level 2 fair value measurements

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within Level 2 of the fair value hierarchy:

Forward currency contracts (Note 23): Forward currency contracts are valued using a valuation technique with market observable inputs. The most frequently applied valuation techniques include forward pricing models, using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates and interest rate curves.

(d) Level 3 fair value measurements

The following is a description of the fair value measurements using significant unobservable inputs (Level 3):

Biological assets (Note 12): The fair values of bearer fruits are determined by using the total sales figure in the following month with the assumptions of all the fruits harvested are sold subsequently to the customer.

(e) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximation of fair value

		2024		2023	
	Note	**Carrying amount**	**Fair value**	**Carrying amount**	**Fair value**
		RM'000	RM'000	RM'000	RM'000
Financial liabilities:					
Obligations under finance leases	26	–	–	49	49

31. Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. The Audit Committee provides independent oversight to the effectiveness of the risk management process.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all borrowers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

31. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 60 days when they fall due, which are derived based on the Group's historical information.

The Group considers "low risk" to be an investment grade credit rating with at least one major rating agency for those investments with credit rating. To assess whether there is a significant increase in credit risk, the company compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

– Internal credit rating
– External credit rating
– Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
– Actual or expected significant changes in the operating results of the customer
– Significant increases in credit risk on other financial instruments of the same customer
– Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
– Significant changes in the expected performance and behaviour of the customer, including changes in the payment status of borrowers in the group and changes in the operating results of the customer

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

– There is significant difficulty of the issuer or the borrower
– A breach of contract, such as a default or past due event
– It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation
– There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the company continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

31. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

A summary of the Group's basis for recognition of the Group's expected credit loss ("ECL") for trade receivables, debt securities and other receivables is as follows:

Assets classifications	Basis for recognition of expected credit loss provision
Trade receivables	Lifetime ECL (simplified approach)
Debt securities	12-month ECL
Other receivables	12-month ECL
Due from Berjaya Waterfront Sdn. Bhd.	Lifetime ECL

The gross carrying amount of trade and other receivables are disclosed in Note 15.

Trade receivables

The Group provides for lifetime expected credit losses for all trade receivables using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due. The loss allowance provision as at 29 February 2024 and 28 February 2023 incorporates forward looking information such as forecast of economic conditions.

Summarised below is the information about the credit risk exposure on the Group's trade receivables using provision matrix.

	Current RM'000	**More than 30 days past due** RM'000	**More than 60 days past due** RM'000	**More than 90 days past due** RM'000	**Total** RM'000
29 February 2024					
Gross carrying amount	389	46	–	945	1,380
28 February 2023					
Gross carrying amount	1,292	43	46	818	2,199
Loss allowance provision	–	–	–	(218)	(218)
	1,292	43	46	600	1,981

Debt securities and other receivables

The company's debt securities at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12 months expected losses. Management consider 'low credit risk' for the debt securities when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

31. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

Debt securities and other receivables (cont'd)

As for other receivables including amount due from Berjaya Waterfront Sdn. Bhd., the Group assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in. The Group measured the impairment loss allowance using general approach of ECL and determined that the ECL is insignificant.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by:

– A nominal amount of RM63,693,000 (2023: RM95,150,000) relating to a corporate guarantee provided by the Group to the bank on subsidiaries' loans.

– A nominal amount of RM19,150,000 (2023: RM47,150,000) relating to a corporate guarantee provided by the Company to a bank on a subsidiary's bank loan.

Information regarding credit enhancements for trade and other receivables is disclosed in Note 15.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial assets, except for the amount due from Berjaya Waterfront Sdn. Bhd. as described in Note 15.

(b) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that refinancing, repayment and funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements.

In addition, the Group strives to maintain available banking facilities at a reasonable level to its overall debt position. As far as possible, the Group raises committed funding from both capital markets and financial institutions and balances its portfolio with some short-term funding so as to achieve overall cost effectiveness.

As at 29 February 2024, the Group's holding of cash and cash equivalents amounting to RM177,811,000 (2023: RM146,809,000) are expected to be sufficient for working capital purposes as well as meet its on-going financial commitments in the next financial year.

31. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted obligations.

	2024				2023			
	One year or less	**One to five years**	**Over five years**	**Total**	**One year or less**	**One to five years**	**Over five years**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group								
Financial assets								
Trade and other receivables	37,091	–	–	37,091	46,533	–	–	46,533
Cash and bank balances	185,062	–	–	185,062	156,919	–	–	156,919
Forward currency contracts	21	–	–	21	29	–	–	29
Total undiscounted financial assets	222,174	–	–	222,174	203,481	–	–	203,481
Financial liabilities								
Trade and other payables	21,082	–	–	21,082	22,174	–	–	22,174
Borrowings	–	–	–	–	4,010	–	–	4,010
Lease liabilities	11,002	60,778	88,000	159,780	9,455	53,222	99,000	161,677
Total undiscounted financial liabilities	32,084	60,778	88,000	180,862	35,639	53,222	99,000	187,861
Total net undiscounted financial assets/ (liabilities)	190,090	(60,778)	(88,000)	41,312	167,842	(53,222)	(99,000)	15,620

31. Financial risk management objectives and policies (cont'd)

(b) Liquidity risk (cont'd)

	2024			2023		
	One year or less	**One to five years**	**Total**	**One year or less**	**One to five years**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
Financial assets						
Trade and other receivables	644	–	644	355	–	355
Cash and bank balances	96,892	–	96,892	90,356	–	90,356
Total undiscounted financial assets	97,536	–	97,536	90,711	–	90,711
Financial liabilities						
Trade and other payables	833	–	833	702	–	702
Total undiscounted financial liabilities	833	–	833	702	–	702
Total net undiscounted financial assets	96,703	–	96,703	90,009	–	90,009

The table below shows the contractual expiry by maturity of the Company's contingent liabilities. The maximum amount of the financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

	2024			2023		
	One year or less	**One to five years**	**Total**	**One year or less**	**One to five years**	**Total**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
Corporate guarantees	19,150	–	19,150	47,150	–	47,150

31. **Financial risk management objectives and policies (cont'd)**

(c) **Interest rate risks**

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

The Group's and the Company's exposure to interest rate risk arises primarily from interest-bearing borrowings. The Group manages its interest rate exposure by maintaining a mix of fixed and floating rate borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if interest rates had been 10 (2023: 10) basis points lower with all other variables held constant, the Group's and the Company's profit before tax would have been RM84,000 and RM62,000 lower/higher (2023: profit before tax would have been RM63,000 and RM57,000 lower/higher) respectively, arising mainly as a result of lower interest expense on fixed and floating rate loans and borrowings, lower interest income from deposit. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment. Interest rates of 10 basis point higher would have had equal but opposite effect on the above amounts, on the basis that all other variables remain constant.

(d) **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the functional currency of the operations to which they relate, primarily United States Dollars ("USD"), Singapore Dollar ("SGD") and Australian Dollar ("AUD"). The foreign currencies in which these transactions are denominated are mainly USD and SGD. Approximately 29% (2023: 54%) of the Group's purchases are denominated in foreign currencies. Foreign currency exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level.

The Group also holds cash and cash balances denominated in USD and SGD for working capital purposes as at the end of the reporting period.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit/(loss) before tax to a reasonably possible change in the USD, SGD and AUD exchange rates against the functional currency of the Group entities, with all other variables held constant.

		2024 **Profit before taxation** Increase/ (decrease) RM'000	**2023** **Profit before taxation** Increase/ (decrease) RM'000
USD/RM	- strengthened 3%	264	274
	- weakened 3%	(264)	(274)
SGD/RM	- strengthened 3%	8	8
	- weakened 3%	(8)	(8)
SGD/USD	- strengthened 3%	(12)	(20)
	- weakened 3%	12	20
AUD/USD	- strengthened 3%	–	(11)
	- weakened 3%	–	11

32. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the year/period under review.

The Group monitors capital using a gearing ratio, which is total external debt divided by total equity.

The Group's ensure that the gearing ratio shall not be more than 2.00 times to comply with covenants from its borrowings.

The Group includes within total external debt, all financial borrowings of the Group. Total external debt due and payable within 12 months consists of bankers' acceptances, short term loan, interest payable and current portion of finance lease liabilities.

	Group	
	2024	**2023**
	RM'000	RM'000
Borrowings (current excluding term loan, i.e. due and payable within 12 months), representing total external debts	–	4,009
Total equity attributable to the owners of the Company	345,683	341,644
Gearing ratio (times)	0.00	0.01

33. Segment information

(a) Operating segments

For management purposes, 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's risks and rates of return are affected predominantly by differences in the products and services produced. 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 oil palm fresh 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.

(b) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

The directors are of the opinion that transfer prices between operating segments are based on negotiated prices. Segment revenue, expenses and results include transfers between operating segments. These transfers are eliminated on consolidation.

33. Segment information (cont'd)

Operating segments

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

	Trading of duty free and duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	12 months ended 29/28 February		12 months ended 29/28 February		12 months ended 29/28 February			12 months ended 29/28 February	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**		**2024**	**2023**
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
Revenue									
Sales to external customers	153,907	148,514	3,345	3,283	–	–		157,252	151,797
Inter-segment sales	–	–	4,909	10,457	(4,909)	(10,457)	A	–	–
Total revenue	153,907	148,514	8,254	13,740	(4,909)	(10,457)		157,252	151,797
Results									
Interest income	1,294	1,072	6,178	4,672	–	–		7,472	5,744
Miscellaneous income	1,931	8,003	1,286	1,840	(1,076)	(1,109)		2,141	8,734
Depreciation and amortisation	(11,602)	(11,132)	(1,408)	(1,406)	1,076	1,076		(11,934)	(11,462)
Finance costs	(7,314)	(6,880)	–	–	169	214		(7,145)	(6,666)
Other non-cash income/ (expenses)	925	5,094	5,832	5,390	(763)	(558)	B	5,994	9,926
Segment profit/(loss)	9,836	9,908	13,252	17,857	(5,093)	(10,374)	C	17,995	17,391
Assets									
Additions to non-current assets	2,194	391	156	–	–	–	D	2,350	391
Segment assets	278,115	269,258	192,410	196,025	11,118	12,833	E	481,643	478,116
Segment liabilities	124,765	125,922	1,388	1,648	7,210	6,055	F	133,363	133,625

33. Segment information (cont'd)

Operating segments (cont'd)

Notes

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

A Inter-segment revenues are eliminated on consolidation.

B Other material non-cash income/expenses consist of reversal of/impairment loss on receivables, property, plant and equipment written off, reversal of/provision of inventories written down, inventories written off and net unrealised foreign exchange gain/loss as presented in the respective notes to the financial statements.

C The following item is deducted from segment result to arrive at loss before tax presented in the income statement:

	2024 RM'000	**2023** RM'000
Profit from inter-segment sales	(4,729)	(10,888)
Unallocated corporate (expenses)/income	(364)	514
	(5,093)	(10,374)

D Additions to non-current assets consist of:

	2024 RM'000	**2023** RM'000
Property, plant and equipment	2,350	391

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

	2024 RM'000	**2023** RM'000
Deferred tax assets	7,710	7,680
Tax recoverable	3,408	5,153
	11,118	12,833

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

	2024 RM'000	**2023** RM'000
Deferred tax liabilities	6,044	5,760
Income tax payable	1,166	295
	7,210	6,055

34. Dividends

Group and Company	**2024** RM'000
Declared and paid/payable during the financial year:	
Dividends on ordinary shares	
- First interim one tier tax exempt dividend for FY2024: S$0.00175 cents per share	7,322
- Second interim one tier tax exempt dividend for FY2024: S$0.0008 cents per share	3,408
	10,730

Group and Company	**2023** RM'000
Declared and paid/payable during the financial year:	
Dividends on ordinary shares	
- First interim one tier tax exempt dividend for FY2023: S$0.002 cents per share	7,855

35. Subsequent events

On 27 May 2019, a Privatisation Cum Development Agreement was signed between the State Government of Johor, The State Secretary, Johor (Incorporated) ("SSI"), Majlis Bandaraya Johor Bahru ("MBJB"), and Kelana Megah Sdn. Bhd. ("KMSB"), a subsidiary of the Company. Under this agreement, the State Government of Johor and SSI agreed to grant KMSB land rights for the development of the land parcel bearing lot number PTB20379, located at Stulang Laut, district of Johor Bahru. In return, KMSB is obligated to pay RM10,000,000 and RM3,500,000 as development return to the State Government of Johor and MBJB respectively.

As of 29 February 2024, a partial payment totalling RM4.0 million had been made to the State Government of Johor and MBJB. The outstanding balance of RM9.5 million was subsequently paid in full on 18 March 2024. In accordance to Clause 5.02(c) of the Privatisation Cum Development Agreement, upon full payment of the development return, SSI is obligated to transfer the said land title to KMSB. As at the date of this report, the transfer of land title is still awaiting completion.

36. Authorisation of financial statements

The financial statements for the financial year ended 29 February 2024 were authorised for issue in accordance with a resolution of the directors on 21 May 2024.

Statistics of **SHAREHOLDINGS**

As at 16 May 2024

Class of Shares	:	Ordinary Share
Number of Issued Shares (excluding treasury shares and subsidiary holdings)	:	1,198,200,293
Issued and fully paid-up capital	:	SGD368,279,626
Voting Rights	:	One vote per share
Number of Treasury Shares and Percentage	:	30,999,300 (2.52%)
Number of Subsidiary Holdings and Percentage	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	170	10.70	1,970	0.00
100 - 1,000	225	14.17	116,134	0.01
1,001 - 10,000	460	28.97	2,381,319	0.20
10,001 - 1,000,000	707	44.52	59,166,010	4.94
1,000,001 AND ABOVE	26	1.64	1,136,534,860	94.85
TOTAL	**1,588**	**100.00**	**1,198,200,293**	**100.00**

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1.	ATLAN HOLDINGS BHD	905,028,113	75.53
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	111,292,332	9.29
3.	MAYBANK SECURITIES PTE. LTD.	23,766,943	1.98
4.	PHILLIP SECURITIES PTE LTD	16,370,280	1.37
5.	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	9,332,097	0.78
6.	OCBC SECURITIES PRIVATE LIMITED	9,272,503	0.77
7.	UOB KAY HIAN PRIVATE LIMITED	8,208,930	0.69
8.	RAFFLES NOMINEES (PTE.) LIMITED	7,551,105	0.63
9.	IFAST FINANCIAL PTE. LTD.	6,798,850	0.57
10.	DBS NOMINEES (PRIVATE) LIMITED	6,439,556	0.54
11.	SOH CHONG CHAI	5,299,080	0.44
12.	ELLPHA INVESTMENTS PTE LTD	4,100,000	0.34
13.	CHAN KENG LOKE	2,500,000	0.21
14.	E-FOS SDN BHD	2,472,722	0.21
15.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	2,344,399	0.20
16.	TAN SIEW SENG	2,012,000	0.17
17.	HSBC (SINGAPORE) NOMINEES PTE LTD	1,967,700	0.16
18.	GOH BEE LAN	1,855,000	0.15
19.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	1,607,150	0.13
20.	BPSS NOMINEES SINGAPORE (PTE.) LTD.	1,500,000	0.13
	TOTAL	**1,129,718,760**	**94.29**

SUBSTANTIAL SHAREHOLDERS AS AT 16 MAY 2024
(As recorded in the Register of Substantial Shareholders)

		DIRECT INTERESTS		DEEMED INTERESTS	
NO.	NAME	NO. OF SHARES HELD	%	NO. OF SHARES HELD	%
1.	Atlan Holdings Bhd	905,028,113	75.53	–	–
2.	Chesterfield Trust Company Limited as Trustees of The Lim Family Trust (1)	–	–	905,028,113	75.53
3.	Distinct Continent Sdn Bhd (2)	–	–	905,028,113	75.53
4.	Lim Family Holdings Limited (3)	–	–	905,028,113	75.53
5.	Dato' Sri Adam Sani bin Abdullah (4)	–	–	905,028,113	75.53
6.	Berjaya Corporation Berhad (5)	–	–	905,028,113	75.53

Notes:

1. Chesterfield Trust Company Limited as Trustees of The Lim Family Trust is deemed to have interest in the 905,028,113 Shares held by Atlan Holding Bhd ("**Atlan**") through Distinct Continent Sdn Bhd which is owned by Lim Family Holdings Limited by virtue of Section 7 of the Companies Act.

2. Distinct Continent Sdn Bhd is a substantial shareholder of Atlan. Distinct Continent Sdn Bhd is deemed interested in the 905,028,113 Shares held by Atlan by virtue of Section 7 of the Companies Act.

3. Lim Family Holdings Limited is deemed to have interest in the 905,028,113 Shares held by Atlan through its majority interest in Distinct Continent Sdn Bhd by virtue of Section 7 of the Companies Act.

4. Dato' Sri Adam Sani bin Abdullah is deemed to have interest in the 905,028,113 Shares held by Atlan through Chesterfield Trust Company Limited as Trustees of The Lim Family Trust by virtue of himself as the settlor, initial Protector and a primary beneficiary of The Lim Family Trust.

5. Berjaya Corporation Berhad is deemed interested in the 905,028,113 Shares held by Atlan through its direct and indirect interest totalling 26.53% in Atlan.

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on the information available to the Company as at 16 May 2024, approximately 24.21% of the issued ordinary shares (excluding treasury shares) of the Company are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST which requires that at least 10% of the issued ordinary shares (excluding preference shares, convertible equity securities and treasury shares) of the Company in a class that is listed is at all times held in the hands of the public.

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Duty Free International Limited ("**Company**") will be held at RNN Conference Centre, 137 Cecil Street, #04-01 Cecil Building, Singapore 069537 on Wednesday, 26 June 2024 at 11:00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and consider the Audited Financial Statements of the Company for the financial year ended 29 February 2024 together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors who are retiring by rotation pursuant to Regulation 104 of the Company's Constitution and being eligible, offered themselves for re-election:

   (a) Dato' Sri Adam Sani bin Abdullah **(Resolution 2)**

   (b) Mr. Chew Soo Lin **(Resolution 3)**

   [See Explanatory Note (i)]

3. To re-elect the following Directors who are retiring pursuant to Regulation 108 of the Company's Constitution and being eligible, offered themselves for re-election:

   (a) Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) **(Resolution 4)**

   (b) Ms. Haslin binti Osman **(Resolution 5)**

   (c) Mr. Quek Meng Teck, Derrick **(Resolution 6)**

   [See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of S$145,000 for the financial year ended 29 February 2024 (FY2023: S$145,000). **(Resolution 7)**

5. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 8)**

6. To transact any other ordinary business which may be properly transacted at an AGM of the Company.

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass, with or without any modifications, the following resolutions as Ordinary Resolutions:

7.1 **Share Issue Mandate**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore ("**Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) allot and issue shares in the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

(the "**Share Issue Mandate**")

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and Instruments that may be issued under subparagraph (1) above, the percentage of issued Shares and Instruments shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

    (a) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;

    (b) new Shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Ordinary Resolution; and

    (c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Act and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting ("**AGM**") of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments."

[See Explanatory Note (iii)] **(Resolution 9)**

7.2 **Renewal of Share Buyback Mandate**

"That for the purposes of Sections 76C and 76E of the Companies Act 1967 of Singapore, the Directors of the Company be and are hereby authorised to make purchases or otherwise acquire issued shares in the capital of the Company from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as ascertained as at the date of Annual General Meeting ("**AGM**") of the Company) at the price of up to but not exceeding the Maximum Price as defined in the Appendix to the Notice of AGM dated 11 June 2024 ("**Appendix**"), in accordance with the authority and limits of the renewed Share Buyback Mandate set out in the Appendix, and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

[See Explanatory Note (iv)] **(Resolution 10)**

BY ORDER OF THE BOARD

Thum Sook Fun
Company Secretary

Singapore, 11 June 2024

Explanatory Notes:

(i) Ordinary Resolution 2 and 3 in relation to the re-election of Directors who are retiring by rotation pursuant to Regulation 104 of the Company's Constitution

Dato' Sri Adam Sani bin Abdullah will, upon re-election as Director of the Company, continue to serve as Non-Independent Non-Executive Chairman, and remain as a member of Nominating Committee and Remuneration Committee.

Mr. Chew Soo Lin will, upon re-election as Director of the Company, be re-designated as Non-Independent Non-Executive Director. Upon redesignation, he will relinquish his position as member of Nominating Committee but remain as a member of Audit Committee. The Board considers him non-independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

For more information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST), please refer to the sections entitled "**Board of Directors**" and "**Additional Information on Directors seeking re-election**" in the Company's Annual Report for the financial year ended 29 February 2024 ("**Annual Report 2024**").

(ii) Ordinary Resolution 4, 5 and 6 in relation to the re-election of Directors pursuant to Regulation 108 of the Company's Constitution

Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) will, upon re-election as Director of the Company, be re-designated as Lead Independent Director and Chairman of Nominating Committee. He will remain as member of Audit Committee and Remuneration Committee.

Ms. Haslin binti Osman will, upon re-election as Director of the Company, continue to serve as Independent Director and member of Audit Committee. She will be re-designated as Chairman of Remuneration Committee.

Mr. Quek Meng Teck, Derrick will, upon re-election as Director of the Company, continue to serve as Independent Director and member of Nominating Committee. He will be re-designated as Chairman of Audit Committee.

The Board considers Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Ms. Haslin binti Osman and Mr. Quek Meng Teck, Derrick independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST.

For more information on these Directors (including information as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST), please refer to the sections entitled "**Board of Directors**" and "**Additional Information on Directors seeking re-election**" in the Company's Annual Report 2024.

(iii) The Ordinary Resolution 9 above, if passed, will empower the Directors of the Company from the date of this AGM of the Company until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to twenty per cent (20%) may be issued other than on a pro rata basis to existing shareholders of the Company.

This authority will, unless revoked or varied at a general meeting, expire on the date of the next AGM of the Company or on the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(iv) The Ordinary Resolution 10 above, if passed, will empower the Directors of the Company from the date of this AGM until the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to repurchase ordinary shares of the Company by way of market purchases or off-market purchases of up to ten per cent (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the date of passing of this Resolution.

Details of the proposed renewal of the Share Buyback Mandate, including the sources of funds to be used for the purchase or acquisition, the amount of financing (if any) and the illustrative financial effects on the Group are set out in the Appendix to the Notice of AGM dated 11 June 2024.

IMPORTANT NOTES: -

Format of Meeting

1. The AGM will be held in physical format at the venue, date and time as stated above. Shareholders, including investors who hold shares through Central Provident Fund Investment Scheme ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**"), and (where applicable) duly appointed proxies or representatives will be able to ask questions and vote at the AGM by attending the AGM in person. **There will be no option for shareholders to participate virtually.**

   Printed copies of this Notice, the accompanying proxy form and request form will be sent by post to members. These documents will also be published at the Company's website at the URL: https://ir.dfi.com.sg/ and SGX website at the URL: https://www.sgx.com/securities/company-announcements.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967 (the "**Act**").

3. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

4. The instrument appointing proxy must be signed by the appointor, or his attorney duly authorised in writing. Where the instrument appointing proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and attached together with the proxy form, falling which the proxy form may be treated as invalid.

5. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and the Register of Members of the Company, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company. If no number is inserted, the instrument appointing a proxy, or proxies shall be deemed to relate held by you.

6. The instrument appointing a proxy, or proxies must be submitted to the Company by the following manners by **11:00 a.m. on Sunday, 23 June 2024**, being not less than 72 hours before the time appointed for the AGM: -

   (i) If submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) If submitted electronically, via email to srs.proxy@boardroomlimited.com.

   Members are strongly encouraged to submit the completed proxy form electronically via email.

7. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

8. CPF and SRS investors:

   (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or

   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM by **5:00 p.m. on Thursday, 13 June 2024**.

9. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Act.

10. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company may reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register 72 hours before the time appointed for holding the AGM, as certified by the Depository to the Company.

11. Completion and return of the Proxy Form by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed during the relevant instrument appointing a proxy(ies) to the AGM.

Submission of Questions

12. Members, including CPF Investors and SRS Investors, can submit substantial and relevant questions relating to the business of the AGM in advance by **5:00 p.m. on Tuesday, 18 June 2024**: -

    (i) If submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

    (ii) If submitted electronically, via email to srs.teamE@boardroomlimited.com.

13. When submitting questions by post or via email, members MUST provide their particulars as follows for verification purposes:-

    (a) Full name (for individual)/company name (for corporate) as per CDP/SRS account records;

    (b) National Registration Identity Card Number or Passport Number (for individual) / Company Registration Number (for corporate);

    (c) The manner in which the members hold shares in the Company (e.g. via CDP, CPF or SRS or etc);

    (d) Contact number; and

    (e) Email address.

14. The Company will endeavour to address all substantial and relevant questions (which are related to the resolutions to be tabled for approval at the AGM) received from members by 18 June 2024 by publishing its responses to such questions on the Company's website at https://ir.dfi.com.sg/ and SGX's website at https://www.sgx.com/securities/company-announcements at least 48 hours prior to the closing date and time of the lodgement/receipt of the instruments appointing a proxy(ies). Where substantial and relevant questions submitted by members are unable to be addressed prior to the AGM, the Company will address them at the AGM. Where questions overlap, we may consolidate such questions and address them by topic. Consequently, some questions may not be individually addressed.

Access to Documents

15. The Annual Report 2024 and Appendix in relation to the Proposed Renewal of the Share Buyback Mandate ("**Appendix**") may be accessed at the Company's website at https://ir.dfi.com.sg/ or SGX's website at https://www.sgx.com/securities/company-announcements.

    A member who wishes to request for a printed copy of the Annual Report 2024 and Appendix may do so by completing and submitting the request form by **5:00 p.m. on Tuesday, 18 June 2024** in the following manner: -

    (i) If submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

    (ii) If submitted electronically, via email to srs.requestform@boardroomlimited.com.

Personal Data Privacy

"Personal data" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes the member's name and its proxy's and/or representative's name, address and NRIC/Passport number. Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and the proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

Additional Information on Directors Seeking Re-election

Dato' Sri Adam Sani bin Abdullah, Mr. Chew Soo Lin, Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B), Ms. Haslin binti Osman and Mr. Quek Meng Teck, Derrick are the Directors seeking re-election at the forthcoming Annual General Meeting ("**AGM**") of the Company to be convened on Wednesday, 26 June 2024 under Ordinary Resolutions 2, 3, 4, 5 and 6 as set out in the Notice of AGM dated 11 June 2024.

Pursuant to Rule 720(6) of the Listing Manual of the Singapore Exchange Trading Securities Limited ("**SGX-ST**"), the information relating to the Directors as set out in Appendix 7.4.1 of the Listing Manual of the SGX-ST is set out below, and to be read in conjunction with their respective profiles under section entitled "**Board of Directors**" in the Company's Annual Report 2024 on pages 12 to 13:

Name of the Directors	**Dato' Sri Adam Sani bin Abdullah**	**Mr. Chew Soo Lin**	**Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)**	**Ms. Haslin binti Osman**	**Mr. Quek Meng Teck, Derrick**
Date of Appointment	7 January 2011	26 August 2011	2 May 2024	2 May 2024	2 May 2024
Date of last re-appointment	29 June 2021	29 June 2021	Not applicable	Not applicable	Not applicable
Age	68	76	76	62	45
Country of principal residence	Malaysia	Singapore	Malaysia	Malaysia	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance preparedness, participation and suitability of Dato' Sri Adam Sani bin Abdullah for re-election as director of the Company and concluded that Dato' Sri Adam Sani bin Abdullah possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board has considered, among others, the recommendation of the Nominating Committee and has reviewed and considered the contribution, performance, attendance preparedness, participation, and suitability of Mr. Chew Soo Lin for re-election as director of the Company and concluded that Mr. Chew Soo Lin possesses the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board. Upon re-election, Mr. Chew Soo Lin will be re-designated as Non-Independent Non-Executive Director in compliance with the Rule 210(5)(d)(iv) of the Listing Manual. He will also relinquish his position as member of Nominating Committee but remain as a member of Audit Committee.	The Board has considered, among others, the recommendation of the Nominating Committee, is satisfied that Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) has the requisite experience, capabilities and knowledge to assume the duties and responsibilities as Independent Director of the Company and accepted the recommendation for re-election of Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) as director of the Company. Upon re-election, Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) shall be re-designated as Lead Independent Director and Chairman of Nominating Committee. He will remain as member of Audit Committee and Remuneration Committee.	The Board has considered, among others, the recommendation of the Nominating Committee, is satisfied that Ms. Haslin binti Osman has the requisite experience, capabilities and knowledge to assume the duties and responsibilities as Independent Director of the Company and accepted the recommendation for re-election of Ms. Haslin binti Osman as director of the Company. Upon re-election, Ms. Haslin binti Osman shall continue to serve as Independent Director and member of Audit Committee. She will be re-designated as Chairman of Remuneration Committee.	The Board has considered, among others, the recommendation of the Nominating Committee, is satisfied that Mr. Quek Meng Teck, Derrick has the requisite experience, capabilities and knowledge to assume the duties and responsibilities as Independent Director of the Company and accepted the recommendation for re-election of Mr. Quek Meng Teck, Derrick as director of the Company. Upon re-election, Mr. Quek Meng Teck, Derrick shall continue to serve as Independent Director and member of Nominating Committee. He will be re-designated as Chairman of Audit Committee.

<table>
<tr><th>Name of the Directors</th><th>Dato’ Sri Adam Sani bin Abdullah</th><th>Mr. Chew Soo Lin</th><th>Jeneral Tan Sri Dato’ Sri Abdullah bin Ahmad @ Dollah bin Amad (B)</th><th>Ms. Haslin binti Osman</th><th>Mr. Quek Meng Teck, Derrick</th></tr>
<tr><td>Whether appointment is executive, and if so, the area of responsibility</td><td>Non-Executive</td><td>Non-Executive</td><td>Non-Executive</td><td>Non-Executive</td><td>Non-Executive</td></tr>
<tr><td>Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)</td><td>Non-Executive Chairman, Member of Nominating Committee and Remuneration Committee</td><td>Independent Director, Member of Audit Committee and Nominating Committee</td><td>Independent Director, Member of Audit Committee, Nominating Committee and Remuneration Committee</td><td>Independent Director, Member of Audit Committee and Remuneration Committee</td><td>Independent Director, Member of Audit Committee and Nominating Committee</td></tr>
<tr><td>Professional qualifications</td><td rowspan="2" colspan="5">Please refer to the respective Director’s profiles on pages 12 to 13.</td></tr>
<tr><td>Working experience and occupation(s) during the past 10 years</td></tr>
<tr><td>Shareholding interest in the listed issuer and its subsidiaries</td><td>Deemed interest in 905,028,113 shares in the Company held by Atlan Holdings Bhd through Chesterfield Trust Company Limited as Trustees of the Lim Family Trust by virtue of himself as the settlor, initial protector and a primary beneficiary of the Lim Family Trust.</td><td>Direct interest in 2,669,399 shares in the Company and deemed interest in 133,000 shares held by his mother, Chong Sai Noi @ Chong Mew Leng.</td><td>Nil</td><td>Nil</td><td>Direct interest in 320,000 shares in the Company.</td></tr>
<tr><td>Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
<tr><td>Conflict of interest (including any competing business)</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td><td>Nil</td></tr>
</table>

Name of the Directors	Dato' Sri Adam Sani bin Abdullah	Mr. Chew Soo Lin	Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)	Ms. Haslin binti Osman	Mr. Quek Meng Teck, Derrick
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships					
Past (for the past 5 years)	Nil	Nil	1. Ketengah Perwira Sdn. Bhd. 2. Atlan Holdings Bhd	1. SME Bank Berhad	1. Thirsty Boys Pte. Ltd. 2. Brand Connect (Thailand) Co., Ltd. 3. Brand Connect Vietnam Limited
Present	1. Atlan Holdings Bhd 2. Distinct Continent Sdn. Bhd. 3. United Industries Holdings Sdn. Bhd. 4. Yayasan Harmoni 5. Alpretz Capital Sdn. Bhd. 6. Seven Wonders of The World Sdn. Bhd.	1. Khong Guan Limited 2. Asia-Pacific Strategic Investment Ltd 3. MTQ Corporation Limited 4. Kim Hin Joo (Malaysia) Berhad	Nil	Nil	1. The First Pour Pte. Ltd. 2. ARK Investment Advisors Pte. Ltd. 3. ARK Australia Property Fund I Pte. Ltd. 4. ARK European Opportunities Pte. Ltd. 5. Region Development Pte. Ltd. 6. Brand Connect Holding Pte. Ltd. (*in the process of striking off)* 7. Brand Connect Asia Pacific Pte. Ltd. *(in the process of striking off)* 8. Brand Connect Pte. Ltd. *(in the process of striking off)* 9. Drinks Hub Asia Pte. Ltd. (*in the process of striking off)*

Name of the Directors	**Dato' Sri Adam Sani bin Abdullah**	**Mr. Chew Soo Lin**	**Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B)**	**Ms. Haslin binti Osman**	**Mr. Quek Meng Teck, Derrick**
Information required under items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules	There is no change to the responses previously disclosed by Dato' Sri Adam Sani bin Abdullah under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all "No". The Appendix 7.4.1 information in respect of Dato' Sri Adam Sani bin Abdullah as Director was announced via Annual Report 2021 which published to SGXNet on 4 June 2021.	There is no change to the responses previously disclosed by Mr. Chew Soo Lin under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all "No". The Appendix 7.4.1 information in respect of Mr. Chew Soo Lin as Director was announced via Annual Report 2021 which published to SGXNet on 4 June 2021.	There is no change to the responses previously disclosed by Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all "No". The Appendix 7.4.1 information in respect of Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) as Director was published to SGXNet on 24 April 2024.	There is no change to the responses previously disclosed by Ms. Haslin binti Osman under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all "No". The Appendix 7.4.1 information in respect of Ms. Haslin binti Osman as Director was published to SGXNet on 24 April 2024.	There is no change to the responses previously disclosed by Mr. Quek Meng Teck, Derrick under the items (a) to (k) of Appendix 7.4.1 of Mainboard Listing Rules which were all "No". The Appendix 7.4.1 information in respect of Mr. Quek Meng Teck, Derrick as Director was published to SGXNet on 24 April 2024.

DUTY FREE INTERNATIONAL LIMITED

(Company Registration Number: 200102393E)
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

(for the financial year ended 29 February 2024)

IMPORTANT:

1. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF/SRS Investors.
2. CPF and SRS investors:
   (a) may vote at the Annual General Meeting ("**AGM**") if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
   (b) may appoint the Chairman of the AGM as proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes at least seven (7) working days before the AGM by **5:00 p.m. on Thursday, 13 June 2024**.
3. **Please read the notes overleaf which contain the instruction on, *inter alia*, the appointment of prox(ies).**

I/We*, ______________________(Name) NRIC/Company/Passport No.*______________________

of ____ (Address)

being a shareholder/shareholders of **DUTY FREE INTERNATIONAL LIMITED** (the "**Company**") hereby appoint:

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

and/or* (*delete where appropriate)*

Name	Address	NRIC/Passport No.	Proportion of Shareholdings	
			No. of Shares	%

failing whom, the Chairman of the Annual General Meeting (the "**AGM**") as *my/our proxy to attend and vote for *me/us on *my/our behalf at the AGM of the Company to be held at RNN Conference Centre, 137 Cecil Street, #04-01 Cecil Building, Singapore 069537 on Wednesday, 26 June 2024 at 11:00 a.m. and at any adjournment thereof.

*I/We have indicated with an "X" in the appropriate box against each item below how "I/we wish "my/our proxy/proxies to vote, or to abstain from voting.

No.	ORDINARY RESOLUTIONS	No. of Votes		
	AS ORDINARY BUSINESS	**For**	**Against**	**Abstain**
1	Adoption of the Audited Financial Statements of the Company for the financial year ended 29 February 2024 together with the Directors' Statement and Auditors' Report thereon.			
2	Re-election of Dato' Sri Adam Sani bin Abdullah as Director of the Company.			
3	Re-election of Mr. Chew Soo Lin as Director of the Company.			
4	Re-election of Jeneral Tan Sri Dato' Sri Abdullah bin Ahmad @ Dollah bin Amad (B) as Director of the Company.			
5	Re-election of Ms. Haslin binti Osman as Director of the Company.			
6	Re-election of Mr. Quek Meng Teck, Derrick as Director of the Company.			
7	Approval of Directors' fees for the financial year ended 29 February 2024.			
8	Re-appointment of Messrs. Ernst & Young LLP as Auditors of the Company.			
	AS SPECIAL BUSINESS			
9	Share Issue Mandate.			
10	Renewal of Share Buyback Mandate.			

Note: Voting will be conducted by poll.

If you wish your proxy/proxies to cast all your votes "For" or "Against" a resolution, please indicate with an "X" in the "For" or "Against" box provided in respect of that resolution. Alternatively, please indicate the number of votes "For" or "Against" in the "For" or "Against" box provided in respect of that resolution. If you wish your proxy/proxies to abstain from voting on a resolution, please indicate with an "X" in the "Abstain" box provided in respect of that resolution. Alternatively, please indicate the number of ordinary shares that your proxy/proxies is directed to abstain from voting in the "Abstain" box provided in respect of that resolution. In any other case, the proxy/proxies may vote or abstain as the proxy/proxies deem(s) fit on any of the above resolutions if no voting instruction is specified, and on any other matter arising at the AGM.

Dated this __________ day of ______________ 2024

Total Number of Shares held

____

Signature of Member(s)
or Common Seal of Corporate Shareholder

**Delete where appropriate*

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:-

1. Please insert the total number of ordinary shares ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy, or proxies shall be deemed to relate to all the Shares held by you.

2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such member's instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument.

   (b) A member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the instrument appointing a proxy or proxies.

   "**Relevant intermediary**" has the meaning ascribed to it in Section 181 of the Companies Act 1967.

   A member who wishes to appoint a proxy(ies) must complete the instrument appointing a proxy(ies), before submitting it in the manner set out below.

3. A proxy need not to be a member of the Company. A member may choose to appoint the Chairman of the AGM as his/her/its proxy.

4. The instrument appointing a proxy or proxies must be submitted to the Company by the following manners by **11:00 a.m. on Sunday, 23 June 2024**, being not less than 72 hours before the time appointed for the AGM:-

   (i) If submitted by post, be deposited at the office of the Share Registrar of the Company at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632; or

   (ii) If submitted electronically, via email to srs.proxy@boardroomlimited.com.

   Members are strongly encouraged to submit completed proxy forms electronically via email.

Affix
postage
stamp

THE SHARE REGISTRAR
DUTY FREE INTERNATIONAL LIMITED
(Company No.: 200102393E)

1 Harbourfront Avenue
#14-07 Keppel Bay Tower
Singapore 098632

5. If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instruction as to voting for, against or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If no specific direction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

6. The instrument appointing proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing proxy is executed by a corporation, it must be either under its common seal or under the hand of any duly authorised officer or attorney duly authorised. The power of attorney or other authority, if any, under which the instrument of proxy is signed on behalf of the member or duly certified copy of that power of attorney or other authority (failing previous registration with the Company), if required by law, be duly stamped and attached together with the proxy form, falling which the proxy form may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act 1967.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

9. Completion and submission of the instrument appointing a proxy(ies) does not preclude a member from attending, speaking and voting at the AGM if he/she so wishes. The appointment of the proxy(ies) for the AGM will be deemed to be revoked if the member attends the AGM in person and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies) to the AGM.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 11 June 2024.

DUTY FREE INTERNATIONAL LIMITED
(200102393E)

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