



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

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## **RESPONSE TO SGX QUERIES**

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The Board of Directors (“**Board**”) of Duty Free International Limited (“**Company**”), together with its subsidiaries, (“**Group**”) has on 2 November 2021 received the following queries from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) in relation to its unaudited financial statements for the second quarter ended 31 August 2021 released on 13 October 2021 and sets out its response as follows:

### **SGX Query 1:**

**Please provide the reason(s) for the significant borrowings of RM 6.25 million by the Group when the Group recorded a cash and cash equivalent of RM 193 million as at 31 August 2021.**

### **Company’s response:**

The borrowings of RM6.25 million as at 31 August 2021 were made up of short-term loan of RM6.08 million and hire purchase financing facility of RM0.17 million. The gearing ratio for the Group as at 31 August 2021 was only 0.017 times. The Group is of the view that the insignificant short-term loan with weighted average effective interest rate of 1.5% per annum (low interest rate) obtained to enhance the Group’s working capital, will allow the Group the flexibility to manage its free cash so as to meet any challenges and/or seize business opportunities that will bring greater value to Company’s shareholders.

### **SGX Query 2:**

**Please provide the reason(s) for the significant accounts payables/trade and other payables of RM 35.5 million when the Group recorded a cash and cash equivalent of RM 193 million as at 31 August 2021.**

### **Company’s response:**

The trade and other payables balances as reflected in note 6.2 on page 20 of the unaudited financial statements for the second quarter ended 31 August 2021 amounting to RM35.6 million were made up mainly of payables, accruals and put option liability. As at 31 August 2021, the payables, accruals and put option liability were not yet due for payment as per the respective business arrangements.

### **By Order of the Board**

Lee Sze Siang  
Executive Director  
3 November 2021