

DUTY FREE INTERNATIONAL LIMITED

(Registration No. 200102393E)

PLACEMENT OF AN AGGREGATE OF 5,500,000 TREASURY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

Pursuant to Rule 704(31) and Rule 810(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), the board of directors (the “**Board**” or “**Directors**”) of Duty Free International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has, on 24 March 2016, placed out an aggregate of 5,500,000 treasury shares in the capital of the Company (“**Placement Shares**”), at a placement price of S\$0.32 (“**Placement Price**”) for each Placement Share (the “**Placement**”), representing approximately 0.48% of the total number of issued ordinary shares (excluding treasury shares) of the Company (“**Shares**”) as at the date of this announcement, to the placees listed under paragraph 2 below (the “**Placees**”).

2. PLACEES

Details on the Placees and the number of Placement Shares are as set out in the table below:

No.	Name of Placee	Number of Placement Shares	Rationale for the Placee’s subscription of the Placement Shares
1.	RHB Trustees Bhd for Kenanga Asia Pacific Total Return Fund ^(a)	850,000	For investment purposes
2.	CIMB Commerce Trustee Berhad for Kenanga ASEAN Tactical Total Return Fund ^(a)	150,000	For investment purposes
3.	Affin Hwang Select Asia (ex Japan) Quantum Fund ^(b)	4,500,000	For investment purposes
	TOTAL	5,500,000	

A brief description of the Placees are as follows:

- (a) Kenanga Asia Pacific Total Return Fund (“**Kenanga Asia Fund**”) invests in equities and equity related securities of companies in the Asia Pacific region. Kenanga Asia Fund is a discretionary fund.

Kenanga ASEAN Tactical Total Return Fund (“**Kenanga ASEAN Fund**”) invests in equities and equity related securities of companies in the ASEAN region. Kenanga ASEAN Fund is a discretionary fund.

Both, Kenanga Asia Fund and Kenanga ASEAN Fund, are funds managed by Kenanga Investors Berhad (“**Kenanga Investors**”), which is the asset management arm of K & N Kenanga Holdings Berhad (“**Kenanga Holdings**”). Kenanga Investors provides investment solutions ranging from collective investment schemes, portfolio management services and alternative investments for

retail, corporate and institutional clients. Kenanga Holdings which is listed on the Main Market of Bursa Malaysia, is a financial group in Malaysia with experience in equity broking, investment banking, listed derivatives, treasury, corporate advisory, Islamic banking, wealth management and investment management. Investors of Kenanga Investors include fund of funds, family offices, pension funds, corporations and high net worth individuals.

- (b) Affin Hwang Select Asia (ex Japan) Quantum Fund (“**Affin Hwang Fund**”) is an equity growth fund that aims to achieve consistent capital appreciation over medium to long-term by investing in growth companies in Asia (ex Japan) with market capitalization of not more than USD1.5 billion at the time of acquisition, subject to the flexibility of investing up to 25% of the net asset value of the fund in companies in Asia (ex Japan) with market capitalization of not more than USD3.0 billion at the time of acquisition. The fund manager of Affin Hwang Fund is Affin Hwang Asset Management Berhad. Investors of Affin Hwang Fund include retail and institutional investors.

Each of the Placees has no connection (including business relationship) with the Company, its Directors and substantial shareholders and is not a person to whom the Company is prohibited from placing Shares to, as provided for under Rule 812(1) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”).

No placement agent has been appointed in relation to the Placement.

The Company was introduced to the Placees through an introducer, Kenanga Investment Bank Berhad, with a referral fee of 2.5% on the value of shares successfully placed out.

3. THE PLACEMENT SHARES

The 5,500,000 Placement Shares represent approximately 0.48% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and will represent approximately 0.48% of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company upon completion of the Placement.

The Placement Price represents a discount of approximately 2.4% of the weighted average price of S\$0.328 per Share of the Company for trades done for the full market day on 23 March 2016.

The Placement Shares will be allotted from the Company’s treasury shares. As at the date of this announcement, the Company has 6,198,000 treasury shares. Upon completion of the Placement, the Company’s treasury shares will be 698,000.

The Company confirms that the placement of the Placement Shares to each Placee will not transfer a controlling interest without prior approval of the Company’s shareholders in general meeting.

The Company will not be making an application to the SGX-ST for the listing and quotation of the Placement Shares on the Catalyst board of the SGX-ST as the Placement Shares will be allotted from the Company’s treasury shares.

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Future Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Placement.

4. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The rationale for the Placement is to strengthen the capital base of the Company, and increase the Company’s public spread, which may in turn improve the level of trading liquidity of its shares.

The aggregate gross proceeds from the Placement is S\$1.76 million. After deducting estimated expenses in relation to the Placement of approximately S\$70,000, the net proceeds from the Placement (“**Net Proceeds**”) are estimated to amount to S\$1.69 million.

The Company intends to use the Net Proceeds from the Placement as follows:

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

Pending the deployment of the proceeds, such proceeds may be placed as deposits with financial institutions or investment in low risk investment grade instruments as the Directors may in their absolute discretion deem fit, from time to time.

The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed and, whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's annual report. Where there is material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

As at the date of this announcement, the Company's issued and paid-up share capital (excluding treasury shares) is S\$377,106,998 comprising 1,138,850,393 Shares. Upon completion of the Placement, the Company's issued and paid-up share capital (excluding treasury shares) will be S\$378,866,998 comprising 1,144,350,393 Shares.

The Directors are of the opinion that after taking into consideration the Group's operating cash flows, and present bank facilities, the working capital available to the Company is sufficient to meet its present requirements. Please refer to the above for the rationale for the Placement.

The Directors are further of the opinion that after taking into consideration the Group's operating cash flows, present banking facilities and the Net Proceeds, the working capital available to the Company is sufficient to meet its present requirements.

5. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement on the Group set out below are purely for illustrative purposes only and do not reflect the future financial position or performance of the Company or the Group after completion of the Placement. The pro forma financial effects have been prepared based on the audited financial statements of the Company for the financial year ended 28 February 2015 ("FY2015").

5.1 Net Tangible Asset ("NTA") per Share

Had the Placement been completed on 28 February 2015, the Placement would have had the following financial effects on the Group's NTA per Share for FY2015:

As at 28 February 2015	Before the Placement	After the Placement
NTA (RM'000)⁽¹⁾	362,731	367,676 ⁽²⁾
Number of Shares ('000)	1,099,844	1,105,344
NTA per Share (RM Sen)	32.98	33.26

Notes:

- (1) NTA means total assets less the sum of total liabilities, non-controlling interests and intangible assets
(2) After deducting the estimated transaction expenses of approximately RM0.20 million incurred in relation to the Placement, based on an exchange rate of SGD1.00 : RM2.9233 as at 23 March 2016.

5.2 Earnings per Share

Had the Placement been completed on 1 March 2014, the Placement would have had the following financial effect on the Group's earnings per Share for FY2015:

FY2015	Before the Placement	After the Placement
Net profit attributable to owners the Company (RM'000)	54,997	54,797 ⁽¹⁾
Weighted average number of Shares ('000)	1,102,321	1,107,821
Earnings per Share (RM Sen)	4.99	4.95

Note:

- (1) After deducting the estimated transaction expenses of approximately RM0.20 million incurred in relation to the Placement, based on an exchange rate of SGD1.00 : RM2.9233 as at 23 March 2016.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors has any interest, direct or indirect, in the Placement. The Directors are not aware of any substantial shareholder of the Company having any interest, direct or indirect, in the Placement and has not received any notification of any interest in this transaction from any substantial shareholder.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Placement and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

BY ORDER OF THE BOARD

LEE SZE SIANG
EXECUTIVE DIRECTOR
24 March 2016

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Canaccord Genuity Singapore Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Leong Huey Miin, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd. at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854 6160.