

# Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements  
For the fourth quarter and full year ended  
29 February 2024

<b>Table of Contents</b>	<b>Page</b>
Condensed Interim Consolidated Statement of Profit or Loss	1
Condensed Interim Consolidated Statement of Other Comprehensive Income	2
Condensed Interim Statement of Financial Position	3
Condensed Interim Statements of Changes in Equity	5
Condensed Interim Consolidated Statement of Cash Flows	9
Notes to the Condensed Interim Consolidated Financial Statements	11
Other Information Required by Listing Rule Appendix 7.2	27
Confirmation by the Board	36

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

	Note	Group Fourth quarter ended 29/28 February 2024			Group Full year ended 29/28 February 2024		
		(Unaudited) 2023	(Unaudited) 2023	Increase/ (Decrease)	(Unaudited) 2024	(Audited) 2023	Increase/ (Decrease)
		RM'000	RM'000	%	RM'000	RM'000	%
Revenue	5.1	48,536	49,166	(1.3%)	157,252	151,797	3.6%
Changes in inventories		(6,140)	2,877	(<100%)	(12,391)	32,044	(<100%)
Inventories purchased and materials consumed		(26,627)	(34,639)	(23.1%)	(91,149)	(127,688)	(28.6%)
Other income	7.1(a)	3,015	4,190	(28.0%)	9,613	14,478	(33.6%)
Employee benefits expenses		(4,158)	(4,959)	(16.2%)	(15,391)	(14,459)	6.4%
Depreciation of property, plant and equipment		(769)	(747)	2.9%	(3,226)	(3,853)	(16.3%)
Depreciation of right-of-use assets		(2,169)	(1,859)	16.7%	(8,708)	(7,609)	14.4%
Impairment loss of right-of-use assets		–	(85)	(100%)	(84)	(85)	(1.2%)
Rental of premises		(97)	(1,895)	(94.9%)	(1,029)	(5,860)	(82.4%)
Commission expenses		(75)	(130)	(42.3%)	(282)	(417)	(32.4%)
Professional fees		(59)	(48)	22.9%	(724)	(971)	(25.4%)
Utilities and maintenance expenses		(557)	(577)	(3.5%)	(2,373)	(2,067)	14.8%
Gain arising from changes in fair value of options		–	222	(100%)	–	222	(100%)
Realised foreign exchange gain/(loss)		91	728	(87.5%)	(80)	58	(<100%)
Unrealised foreign exchange gain		905	1,460	(38.0%)	5,723	4,350	31.6%
Other operating expenses	7.1(b)	(3,048)	(3,689)	(17.4%)	(12,011)	(15,883)	(24.4%)
<b>Operating profit</b>		<b>8,848</b>	<b>10,015</b>	<b>(11.7%)</b>	<b>25,140</b>	<b>24,057</b>	<b>4.5%</b>
Finance costs		(1,778)	(1,691)	5.1%	(7,145)	(6,666)	7.2%
<b>Profit before tax</b>		<b>7,070</b>	<b>8,324</b>	<b>(15.1%)</b>	<b>17,995</b>	<b>17,391</b>	<b>3.5%</b>
Income tax expense	8	(1,508)	(556)	>100%	(3,954)	(1,971)	>100%
<b>Profit for the period</b>		<b>5,562</b>	<b>7,768</b>	<b>(28.4%)</b>	<b>14,041</b>	<b>15,420</b>	<b>(8.9%)</b>
<b>Attributable to:</b>							
Owners of the Company		5,535	7,849	(29.5%)	14,010	15,569	(10.0%)
Non-controlling interests		27	(81)	(<100%)	31	(149)	(<100%)
		5,562	7,768	(28.4%)	14,041	15,420	(8.9%)
<b>Profit per share for the period attributable to owners of the Company (sen per share)</b>							
Basic		0.46	0.66		1.17	1.30	
Diluted		0.46	0.66		1.17	1.30	

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

	Group Fourth quarter ended 29/28 February 2024			Group Full year ended 29/28 February 2024		
	(Unaudited) RM'000	(Unaudited) RM'000	Increase/ (Decrease) %	(Unaudited) RM'000	(Audited) RM'000	Increase/ (Decrease) %
Profit for the period	5,562	7,768	(28.4%)	14,041	15,420	(8.9%)
Other comprehensive income: <i>Item that may be reclassified subsequently to profit or loss:</i>						
Foreign currency translation	200	142	40.8%	478	563	(15.1%)
Total comprehensive income for the period	5,762	7,910	(27.2%)	14,519	15,983	(9.2%)
<b>Attributable to:</b>						
Owners of the Company	5,776	8,134	(29.0%)	14,769	16,125	(8.4%)
Non-controlling interests	(14)	(224)	(93.8%)	(250)	(142)	76.1%
Total comprehensive income for the period	5,762	7,910	(27.2%)	14,519	15,983	(9.2%)

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

	Note	Group		Company	
		29.02.2024 (Unaudited) RM'000	28.02.2023 (Audited) RM'000	29.02.2024 (Unaudited) RM'000	28.02.2023 (Audited) RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment	12	50,188	51,065	–	–
Goodwill	11.1	5,818	5,818	–	–
Investments in subsidiaries		–	–	642,712	646,060
Prepayments	11.2	4,000	4,000	–	–
Deferred tax assets		7,710	7,680	–	–
Right-of-use assets		108,289	105,547	–	–
		176,005	174,110	642,712	646,060
<b>Current assets</b>					
Biological assets		170	178	–	–
Trade and other receivables	6.1	37,091	46,533	644	355
Prepayments		1,767	5,147	–	–
Inventories		78,119	90,047	–	–
Cash and bank balances		185,062	156,919	96,892	90,356
Tax recoverable		3,408	5,153	–	–
Derivative assets		21	29	–	–
		305,638	304,006	97,536	90,711
<b>Total assets</b>		<b>481,643</b>	<b>478,116</b>	<b>743,596</b>	<b>736,771</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Borrowings	13	–	4,009	–	–
Trade and other payables	6.2	21,082	22,175	833	702
Provision for restoration costs		–	198	–	–
Lease liabilities		4,414	440	–	–
Income tax payable		1,166	295	422	143
		26,662	27,117	1,255	845
<b>Net current assets</b>		<b>278,976</b>	<b>276,889</b>	<b>96,281</b>	<b>89,866</b>

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

	Note	Group		Company	
		29.02.2024 (Unaudited) RM'000	28.02.2023 (Audited) RM'000	29.02.2024 (Unaudited) RM'000	28.02.2023 (Audited) RM'000
<b>Non-current liabilities</b>					
Deferred tax liabilities		6,044	5,760	1,800	1,719
Lease liabilities		99,953	100,076	–	–
Provision for restoration costs		704	672	–	–
		106,701	106,508	1,800	1,719
<b>Total liabilities</b>		133,363	133,625	3,055	2,564
<b>Net assets</b>		348,280	344,491	740,541	734,207
<b>Equity attributable to owners of the Company</b>					
Share capital	14	487,903	487,903	978,725	978,725
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(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	–	–
<b>Total equity</b>		348,280	344,491	737,193	734,207
<b>Total equity and liabilities</b>		481,643	478,116	737,193	736,771

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

	Attributable to owners of the Company										
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign currency translation reserve RM'000	Net premium paid/received on transactions with non-controlling interests RM'000	Gain on reissuance of treasury shares RM'000	Capital reserve RM'000	Retained earnings RM'000	Total equity attributable to owners of the Company RM'000	Non-controlling interests RM'000	Total equity RM'000
<b>Group</b>											
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 period	–	–	–	–	–	–	–	14,010	14,010	31	14,041
Other comprehensive income/(loss) for the period	–	–	759	759	–	–	–	–	759	(281)	478
Total comprehensive income/(loss) for the period	–	–	759	759	–	–	–	14,010	14,769	(250)	14,519
<u>Transactions with owners:</u>											
Dividend on ordinary shares	–	–	–	–	–	–	–	(10,730)	(10,730)	–	(10,730)
Total transactions with owners								(10,730)	(10,730)	–	(10,730)
<b>Closing balance at 29 February 2024</b>	<b>487,903</b>	<b>(22,017)</b>	<b>(177,337)</b>	<b>820</b>	<b>(178,818)</b>	<b>661</b>	<b>–</b>	<b>57,134</b>	<b>345,683</b>	<b>2,597</b>	<b>348,280</b>

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

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



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

	<b>Ordinary shares RM'000</b>	<b>Treasury shares RM'000</b>	<b>Others reserve RM'000</b>	<b>Retained earnings/ (accumulated losses) RM'000</b>	<b>Total equity RM'000</b>
<b>Company</b>					
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 period	–	–	–	13,716	13,716
<u>Transactions with owners:</u>					
Dividend on ordinary shares	–	–	–	(10,730)	(10,730)
Total transactions with owners	–	–	–	(10,730)	(10,730)
<b>Closing balance at 29 February 2024</b>	<b>978,725</b>	<b>(22,017)</b>	<b>661</b>	<b>(220,176)</b>	<b>737,193</b>

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

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

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

	<b>Group</b>		<b>Group</b>	
	<b>Fourth quarter ended</b>		<b>Full year ended</b>	
	<b>29/28 February</b>		<b>29/28 February</b>	
	<b>2024</b>		<b>2024</b>	
	<b>2023</b>		<b>2023</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	RM'000	RM'000	RM'000	RM'000
<b>Cash flows from operating activities</b>				
Profit before tax	7,070	8,324	17,995	17,391
<u>Adjustments for:</u>				
Depreciation of property, plant and equipment	769	747	3,226	3,853
Depreciation of right-of-use assets	2,169	1,859	8,708	7,609
Deposit forfeited	(67)	(34)	(68)	(594)
Bad debts written off	11	40	20	45
Impairment loss of right-of-use assets	–	85	84	85
Finance costs	1,778	1,691	7,145	6,666
Lease concessions	–	–	–	(164)
(Gain)/loss arising from changes in fair values of biological assets	(62)	(61)	8	(23)
Gain arising from changes in fair value of options	–	(222)	–	(222)
Gain on disposal of property, plant and equipment	(3)	–	(21)	(19)
Interest income	(2,011)	(1,783)	(7,472)	(5,744)
Net reversal of inventories written down	(110)	(1,310)	(463)	(4,435)
Net unrealised foreign exchange gain	(905)	(1,460)	(5,723)	(4,350)
Property, plant and equipment written off	1	–	1	5
Provision/(reversal) of impairment losses on receivables	88	(345)	87	(382)
(Reversal)/provision of short term accumulating compensated absences	(2)	25	(2)	25
<b>Operating cash flows before changes in working capital</b>	<b>8,726</b>	<b>7,556</b>	<b>23,525</b>	<b>19,746</b>
<u>Changes in working capital</u>				
Decrease/(increase) in trade and other receivables	1,743	(897)	9,343	2,579
Decrease/(increase) in prepayments	999	(335)	(159)	(3,872)
Decrease/(increase) in inventories	6,140	(2,878)	12,391	(32,045)
Increase/(decrease) in trade and other payables	4,918	(11,479)	(724)	13,334
<b>Cash flows generated from/(used in) operations</b>	<b>22,526</b>	<b>(8,033)</b>	<b>44,376</b>	<b>(258)</b>
Interest paid	(29)	(18)	(132)	(136)
Income taxes paid	(1,402)	(474)	(1,085)	(1,384)
<b>Net cash flows generated from/(used in) operating activities</b>	<b>21,095</b>	<b>(8,525)</b>	<b>43,159</b>	<b>(1,778)</b>

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

	<b>Group</b>		<b>Group</b>	
	<b>Fourth quarter ended 29/28 February 2024 (Unaudited) RM'000</b>	<b>2023 (Unaudited) RM'000</b>	<b>Full year ended 29/28 February 2024 (Unaudited) RM'000</b>	<b>2023 (Audited) RM'000</b>
<b>Cash flows from investing activities</b>				
Interest received	2,011	1,783	7,472	5,744
Proceeds from disposal of property, plant and equipment	3	–	21	19
Purchase of property, plant and equipment	(1,796)	(200)	(2,350)	(303)
<b>Net cash flows generated from investing activities</b>	<b>218</b>	<b>1,583</b>	<b>5,143</b>	<b>5,460</b>
<b>Cash flows from financing activities</b>				
(Increase)/decrease in pledged fixed deposits	(38)	(27)	2,859	(170)
Payment of lease liabilities	(2,792)	(185)	(11,158)	(652)
Proceed from/(repayment of) other short term borrowings	–	3,960	(3,960)	3,960
Net repayment of obligations under finance leases	(2)	(18)	(49)	(79)
Dividends paid to the ordinary shareholders of the Company	(3,408)	(7,855)	(10,730)	(7,855)
Proceeds from exercise of warrants	–	–	–	1
<b>Net cash used in financing activities</b>	<b>(6,240)</b>	<b>(4,125)</b>	<b>(23,038)</b>	<b>(4,795)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,073</b>	<b>(11,067)</b>	<b>25,264</b>	<b>(1,113)</b>
Effects of foreign exchange rate changes	1,042	1,951	5,738	4,461
Cash and cash equivalents at beginning of the period	161,696	155,925	146,809	143,461
<b>Cash and cash equivalents at end of period</b>	<b>177,811</b>	<b>146,809</b>	<b>177,811</b>	<b>146,809</b>
<b>Cash and cash equivalents comprise of:</b>				
Cash and deposits with licensed banks	185,062	156,919	185,062	156,919
Deposits pledged with licensed banks	(7,251)	(10,110)	(7,251)	(10,110)
<b>Cash and cash equivalents</b>	<b>177,811</b>	<b>146,809</b>	<b>177,811</b>	<b>146,809</b>

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 29 February 2024

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## **2. Corporate information**

Duty Free International Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The holding company is Atlan Holdings Bhd ("Atlan"). Atlan is a public limited company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

These condensed interim consolidated financial statements for year ended 29 February 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the Group are:

- (a) Retailer, wholesaler and distributor of duty free and non-dutiable merchandise
- (b) Properties management and cultivation of oil palm

## **3. Basis of preparation**

The condensed interim financial statements for the three months ended 29 February 2024 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to understand the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 28 February 2023.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Malaysian Ringgit (RM) and all values in the tables are rounded to the nearest thousand (RM'000), except when otherwise indicated.

### **3.1 New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

The application of these new or amended SFRS(I) and INT FRSs did not result in changes in the Group's accounting policies and has no material effect on the amounts reported for the current period or prior years.

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 29 February 2024

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**3. Basis of preparation (cont'd)**

**3.2 Use of judgement and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 28 February 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim consolidated financial statements for the three months period ended 29 February 2024.

**4. Seasonal operations**

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

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 29 February 2024

## 5. Revenue and segment information

### 5.1 Revenue

	Group Fourth quarter ended 29/28 February		Group Full year ended 29/28 February	
	2024 RM'000	2023 RM'000	2024 RM'000	2023 RM'000
Sale of goods	47,483	48,213	153,907	148,515
Parking operations	462	405	1,605	993
Rental income	1	1	3	3
Sale of fresh oil palm fruit bunches	590	547	1,737	2,286
	<u>48,536</u>	<u>49,166</u>	<u>157,252</u>	<u>151,797</u>
Timing of transfer of goods and services				
At a point in time	<u>48,536</u>	<u>49,166</u>	<u>157,252</u>	<u>151,797</u>

### 5.2 Segment information

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has the following reportable operating segments:

(i) *Trading of duty free goods and non-dutiable merchandise*

This segment includes revenues from sale of goods.

(ii) *Investment holding and others*

This segment includes revenues from sale of fresh oil palm fruit bunches.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. The Group has no major customers.

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

### 5.2 Segment information (cont'd)

#### Operating segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	Fourth quarter ended 29/28 February		Fourth quarter ended 29/28 February		Fourth quarter ended 29/28 February			Fourth quarter ended 29/28 February	
	2024	2023	2024	2023	2024	2023		2024	2023
Fourth quarter:	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
<b>Revenue:</b>									
Sales to external customers	47,483	48,213	1,053	953	–	–		48,536	49,166
Inter-segment sales	–	–	164	164	(164)	(164)	A	–	–
Total revenue	47,483	48,213	1,217	1,117	(164)	(164)		48,536	49,166
Interest income	426	308	1,585	1,475	–	–		2,011	1,783
Miscellaneous Income	733	2,654	49	45	222	(292)		1,004	2,407
Total revenue and other income	48,642	51,175	2,851	2,637	58	(456)		51,551	53,356
<b>Results:</b>									
Depreciation and amortisation	(2,855)	(2,524)	(352)	(351)	269	269		(2,938)	(2,606)
Finance costs	(1,818)	(1,740)	–	–	40	49		(1,778)	(1,691)
Other non-cash income/(expenses)	690	1,978	1,210	2,531	(763)	(558)	B	1,137	3,951
Segment profit/(loss)	5,560	5,517	2,287	12,640	(777)	(9,833)		7,070	8,324
<b>Assets</b>									
Additions/(reversal) to non-current assets	1,787	(23)	9	–	–	–	C	1,796	(23)
Segment assets	278,115	269,258	192,410	196,025	11,118	12,833	D	481,643	478,116
<b>Segment liabilities</b>	124,765	125,922	1,388	1,648	7,210	6,055	E	133,363	133,625



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

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

**Operating segments (cont'd)**

Full year	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	12 months ended 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
<b>Revenue:</b>									
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
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
Total revenue and other income	157,132	157,589	15,718	20,252	(5,985)	(11,566)		166,865	166,275
<b>Results:</b>									
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	16,576	13,252	7,481	(5,093)	(6,666)		17,995	17,391
<b>Assets</b>									
Additions to non-current assets	2,194	391	156	–	–	–	C	2,350	391
Segment assets	278,115	269,258	192,410	196,025	11,118	12,833	D	481,643	478,116
<b>Segment liabilities</b>	124,765	125,922	1,388	1,648	7,210	6,055	E	133,363	133,625

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

Notes to the condensed interim consolidated financial statements  
 For the financial year ended 29 February 2024

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

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

**Operating segments (cont'd)**

**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash income/expenses include reversal of receivables, bad debts written off, impairment loss of right-of-use assets, gain arising from change in fair values of biological assets, gain on disposal of property, plant and equipment, reversal of inventories written down and net foreign exchange gain/loss.
- C Additions to non-current assets consist of:

	<b>Fourth quarter ended</b>		<b>Full year ended</b>	
	<b>29/28 February</b>	<b>29/28 February</b>	<b>29/28 February</b>	<b>29/28 February</b>
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	RM'000	RM'000	RM'000	RM'000
Property, plant and equipment	1,796	(23)	2,350	391

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 29 February 2024

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

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

**Operating segments (cont'd)**

**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

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

	<b>As at 29.02.2024</b>	<b>As at 28.02.2023</b>
	RM'000	RM'000
Deferred tax assets	7,710	7,680
Tax recoverable	3,408	5,153
	<u>11,118</u>	<u>12,833</u>

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

	<b>As at 29.02.2024</b>	<b>As at 28.02.2023</b>
	RM'000	RM'000
Deferred tax liabilities	6,044	5,760
Income tax payable	1,166	295
	<u>7,210</u>	<u>6,055</u>

## 6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group and Company as at 29 February 2024 and 28 February 2023:

### 6.1 Financial assets

	Group		Company	
	29.02.2024	28.02.2023	29.02.2024	28.02.2023
	RM'000	RM'000	RM'000	RM'000
<b>Trade and other receivables:</b>				
Trade receivables	1,380	1,981	–	–
Deposits	4,168	3,064	–	–
Due from Berjaya				
Waterfront Sdn Bhd*	30,098	40,338	–	–
Sundry receivables	1,445	1,150	644	355
<b>Total trade and other receivables</b>	<b>37,091</b>	<b>46,533</b>	<b>644</b>	<b>355</b>
<i>Add:</i> Cash and bank balances	185,062	156,919	96,892	90,356
<b>Total financial assets carried at amortised cost</b>	<b>222,153</b>	<b>203,452</b>	<b>97,536</b>	<b>90,711</b>

#### \*Due from Berjaya Waterfront Sdn Bhd (“BWSB”)

The amount due from BWSB is related to the uncollected portion of the sale consideration for the Group’s interests over leasehold properties in the Zon Johor Bahru, which was completed in March 2013.

This balance, guaranteed by BWSB’s holding company, had been subject to interest throughout the term that the balance was outstanding. The interest rate was initially at 6% per annum but has been revised to 9% per annum since 16 July 2015 until 15 April 2022. The interest rate was revised to 7% per annum from 16 April 2022 onwards.

The balance of RM40.0 million was scheduled to be repaid on or before 15 April 2024. However, in July 2023, the Group entered into an agreement with BWSB to offset the rental payments due from the Group’s subsidiary, Selasih Eksklusif Sdn Bhd against the RM40.0 million balance receivable from BWSB as mentioned above. As at the date of this announcement, a rental payable of RM11.7 million had been set off against the total outstanding receivable from BWSB, resulting in a balance outstanding receivable from BWSB of RM28.3 million (excluding interest receivable).

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.

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

Notes to the condensed interim consolidated financial statements  
For the financial year ended 29 February 2024

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

**6.2 Financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>29.02.2024</b>	<b>28.02.2023</b>
	RM'000	RM'000	RM'000	RM'000
<b>Trade and other payables:</b>				
Trade payables	14,656	15,815	–	–
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
<b>Total trade and other payables</b>	<b>21,082</b>	<b>22,175</b>	<b>833</b>	<b>702</b>
<i>Add: Borrowings</i>	–	4,009	–	–
<i>Less: Goods and Services Tax payable</i>	–	(1)	–	–
<b>Total financial liabilities carried at amortised cost</b>	<b>21,082</b>	<b>26,183</b>	<b>833</b>	<b>702</b>

**7. Profit before taxation**

**7.1 Significant items**

**(a) Other income**

	<b>Group</b>		<b>Group</b>	
	<b>Fourth quarter ended</b>		<b>Full year ended</b>	
	<b>29/28 February</b>		<b>29/28 February</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	RM'000	RM'000	RM'000	RM'000
Interest income from licensed banks	1,475	1,092	5,033	2,843
Interest income from Berjaya Waterfront Sdn Bhd	536	691	2,439	2,901
Rental income from property, plant and equipment	91	133	414	462
Deposit forfeited	67	34	68	594
Gain/(Loss) arising from changes in fair value of biological assets	62	61	(8)	23
Gain on disposal of property, plant and equipment	3	–	21	19
Lease concessions	–	–	–	164
Net reversal of inventories written down	110	1,310	463	4,435
Reversal of impairment loss on receivables	–	345	–	382
Miscellaneous income	671	524	1,183	2,655
	<b>3,015</b>	<b>4,190</b>	<b>9,613</b>	<b>14,478</b>

Included in miscellaneous income for the fourth quarter and full year ended 28 February 2023 were government grants of RM Nil and RM535,200 received by the Group under the wage subsidy programmes introduced in Malaysia in response to the COVID-19 pandemic. There were no government grants received for the fourth quarter and full year ended 29 February 2024.

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

**7.1 Significant items (cont'd)**

**(b) Other operating expenses**

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

	Group		Group	
	Fourth quarter ended 29/28 February		Full year ended 29/28 February	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Assessment and quit rent	340	338	1,097	1,067
Auditors' remuneration	197	353	819	1,058
Bank charges	240	271	1,117	1,104
Bad debts written off	11	40	20	45
Donations	2	207	266	410
GST related expenses	–	–	–	1,225
Impairment loss on receivables	88	–	87	–
Management fees	400	500	1,600	1,600
Payment in relation to settlement with Customs	–	–	–	1,500
Property, plant and equipment written off	1	–	1	5

**7.2. Related party disclosures**

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

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

	Group		Group	
	Fourth quarter ended 29/28 February		Full year ended 29/28 February	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
<b>Related companies:</b>				
- Management fee	400	500	1,600	1,600
<b>Related party:</b>				
- Donation to Yayasan Harmoni	–	200	250	200

## 8. Income tax expense

### Major components of income tax expense

The Group calculated the income tax expense for the reporting period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are as follows:

	Group		Group	
	Fourth quarter ended 29/28 February 2024		Full year ended 29/28 February 2024	
	2024	2023	2024	2023
	RM'000	RM'000	RM'000	RM'000
Current income tax expense	1,361	730	3,700	2,525
Deferred income tax expense relating to origination and reversal of temporary difference	147	(174)	254	(554)
Income tax expense recognised in profit or loss	1,508	556	3,954	1,971

## 9. Net asset value

	Group		Company	
	As at 29 February 2024	As at 28 February 2023	As at 29 February 2024	As at 28 February 2023
Net asset value per ordinary share (sen)	28.85	28.51	61.53	61.28
Number of shares used in calculating net asset value per share ('000)	1,198,200	1,198,200	1,198,200	1,198,200

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



## 10. Financial assets at fair value through other comprehensive income

### 10.1 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant observable inputs other than quoted prices (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000	Total RM'000
<b>At 29 February 2024</b>				
<b>Non-financial assets:</b>				
- Biological assets	–	–	170	170
<b>Financial assets:</b>				
Derivatives				
- Forward currency contracts	–	21	–	21
<b>At 28 February 2023</b>				
<b>Non-financial assets:</b>				
- Biological assets	–	–	178	178
<b>Financial assets:</b>				
Derivatives				
- Forward currency contracts	–	29	–	29

## 11. Intangible assets

### 11.1 Goodwill

Group	Goodwill RM'000
<b>At 28 February 2023</b>	
Cost	28,816
Accumulated impairment losses	(22,998)
Net carrying amount	<u>5,818</u>
At 1 March 2023 and 29 February 2024	<u>5,818</u>

The cash-generating units (“CGU”) to which goodwill have been allocated were tested for impairment as at 29 February 2024. The recoverable amount of the CGUs was determined based on value in use calculations using probabilities-weighted cash flow projections from financial forecasts covering a five-year period with different scenarios. The key assumptions used in the discounted cash flow models were similar to those made in FY2023, for growth rates, budgeted gross margins, ability to renew duty free licenses, discount rates, and long-term growth rate.

- i) The revenue projection for the first year was determined based on financial budget prepared. Revenue growth rates for FY2025 to FY2029 range between 5% to 10%.
- ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment is 18.5%, which was based on average gross margin achieved in past years.
- iii) The duty free business requires a number of licences, which include duty free shop licence, wholesale dealer’s licence, bonded warehouse licence and/or liquor import licence. It was assumed that the licences would be renewed upon their expiry on terms and conditions which were not less favourable.
- iv) The forecasted long-term growth rates were based on published industry research and did not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period was 2.2%.
- v) The pre-tax discount rate applied to the cash flow projections was ranged from 14.3% to 14.5% based on weighted average cost of capital of the Group.

The present value of the discounted cash flow was then compared to the carrying value of the CGUs and as there was no shortfall in the assessment, no impairment loss was recorded for the period ended 29 February 2024.

## 11.2 Non-current prepayment

The non-current prepayment was related to the development return paid to the State Government of Johor and City Council of Johor Bahru as a cost of future development for the land parcel bearing the lot number PTB 20379. Please see Note 15 for further details.

## 12. Property, plant and equipment

During the full year ended 29 February 2024, the Group acquired assets amounting to RM2,350,000 (28 February 2023: RM391,000).

## 13. Borrowings

	<b>Group</b>	
	<b>29.02.2024</b>	<b>28.02.2023</b>
	RM'000	RM'000
<b>Amount repayable within one year or on demand</b>		
Secured:		
Bankers' acceptances	–	3,960
Obligations under finance leases	–	49
	<hr/>	<hr/>
Total borrowings	–	4,009
	<hr/> <hr/>	<hr/> <hr/>

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

## 14. Share capital

<b>Group</b>	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>with no par value</b>			
	<b>29.02.2024</b>	<b>28.02.2023</b>	<b>29.02.2024</b>	<b>28.02.2023</b>
	'000	'000	RM'000	RM'000
Beginning of interim period	1,198,200	1,198,199	487,903	487,902
Conversion of warrants	–	1	–	1
	<hr/>	<hr/>	<hr/>	<hr/>
End of interim period	1,198,200	1,198,200	487,903	487,903
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
<b>Company</b>				
Beginning of interim period	1,198,200	1,198,199	978,725	978,724
Issuance of new ordinary shares	–	1	–	1
	<hr/>	<hr/>	<hr/>	<hr/>
End of interim period	1,198,200	1,198,200	978,725	978,725
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

#### **14. 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.

Total treasury shares as at 29 February 2024 was 30,999,300 (28 February 2023: 30,999,300).

As at 29 February 2024, the Company's issued and paid-up share capital comprises 1,198,200,293 (28 February 2023: 1,198,200,293) ordinary shares, excluding treasury shares.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 29 February 2024.

#### **15. 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 made payment of 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.

## 16. Review

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 29 February 2024 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period and certain explanatory notes have not been audited or reviewed.

## 17. Review of performance of the Group

### Consolidated statement of Comprehensive Income

Fourth quarter ended 29 February 2024 ("4Q FY2024") vs Fourth quarter ended 28 February 2023 ("4Q FY2023")

#### Revenue

The Group recorded revenue of RM48.5 million in 4Q FY2024, representing a decrease of 1.3% or RM0.7 million, over the revenue of RM49.2 million in 4Q FY2023. The decrease was primarily attributable to the closure of the Kuala Lumpur International Airport ("KLIA") outlet due to the termination of its tenancy at KLIA in April 2023.

#### Changes in inventories

Changes in inventories comprised the difference in the value of inventories at the beginning and at the end of the financial period under review. In 4Q FY2024, the value of the closing inventories was lower than the value of the opening inventories by RM6.1 million. In 4Q FY2023, the value of the closing inventories was higher by RM2.9 million. This resulted in a negative variance of RM9.0 million for 4Q FY2024 vis-à-vis 4Q FY2023, which was mainly due to lower purchases and consumption of inventories as compared with the corresponding quarter of the previous financial year.

#### Inventories purchased and material consumed

Inventories purchased and material consumed decreased by 23.1% or RM8.0 million, from RM34.6 million in 4Q FY2023 to RM26.6 million in 4Q FY2024. This was mainly due to lower purchases and consumption of inventories in the current quarter due to the closure of the airport outlet as mentioned above.

#### Other Income

Other income decreased by RM1.2 million or 28.0% from RM4.2 million in 4Q FY2023 to RM3.0 million in 4Q FY2024, mainly attributable to the lower net reversal of inventories written down by RM1.2 million and absence of reversal of impairment loss on receivables of RM0.3 million. The adverse impact was partially offset by higher interest income of RM0.2 million in the current reporting quarter.

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

### Rental of premises

The rental of premises expenses showed a decrease of RM1.8 million from RM1.9 million in 4Q FY2023 to RM0.1 million in 4Q FY2024. The reduction in rental expenses was primarily a result of the cessation of expenses associated with the termination of the airport outlet operations, as mentioned above.

### Employee benefits expenses

Employee benefits expenses decreased by 16.2% or RM0.8 million, from RM5.0 million in 4Q FY2023 to RM4.2 million in 4Q FY2024. The decrease was primarily attributed to the accrual of certain employee expenses that was recorded during the corresponding quarter of the previous financial year.

### Realised foreign exchange gain

Realised foreign exchange gain in 4Q FY2024 was RM0.1 million which was RM 0.6 million lower as compared to realised foreign exchange gain of RM0.7 million recorded in 4Q FY2023. This was mainly due to currency translation loss on the Group's purchases from overseas suppliers due to Ringgit Malaysia which had weakened against US Dollar during the current quarter review.

### Unrealised foreign exchange gain

Unrealised foreign exchange gain in 4Q FY2024 of RM0.9 million was lower by RM0.6 million as compared to RM1.5 million gain in 4Q FY2023. This was mainly due to the currency translation to Ringgit Malaysia of the Group's deposits and bank balance in financial institutions of SGD21.6 million and USD2.2 million as at 29 February 2024, whereby Ringgit Malaysia had weakened against Singapore Dollar by approximately 1.1% from RM3.49 as at 30 November 2023 to RM3.53 as at 29 February 2024 and US Dollar by approximately 1.9% from RM4.66 as at 30 November 2023 to RM4.75 as at 29 February 2024.

### Other operating expenses

The Group incurred lower other operating expenses in 4Q FY2024 by RM0.7 million or 17.4% as compared to RM3.7 million in 4Q FY2023, mainly due to the lower selling and marketing expenses and administrative expenses of RM0.6 million and RM0.1 million respectively during the quarter under review.

### Profit before income tax

The Group reported profit before income tax of RM7.1 million for 4Q FY2024, which was RM1.2 million lower than profit before income tax of RM8.3 million recorded in 4Q FY2023.

The lower profit in 4Q FY2024 as compared to 4Q FY2023 was mainly due to lower other operating income and lower net foreign exchange gain as mentioned above. However, the adverse effect was partially offset by lower rental expenses of premises and other operating expenses as well as lower employee benefit expenses in the current quarter under review as mentioned above.

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

### Full year ended 29 February 2024 ("FY2024") vs Full year ended 28 February 2023 ("FY2023")

The Group recorded revenue for FY2024 of RM157.3 million, representing an increase of 3.6% or RM5.5 million, over the revenue of RM151.8 million in FY2023.

The Group reported profit before income tax of RM18.0 million for FY2024, representing an increase of 3.5% or RM0.6 million as compared to a profit before income tax of RM17.4 million recorded in FY2023. The improvement in profit was mainly contributed by higher revenue achieved coupled with increased net foreign exchange gain of RM1.2 million and decreased rental expenses of RM4.9 million as well as a decrease in other operating expenses of RM3.8 million. However, the positive effect was partially offset by a decline of other income of RM4.9 million and increase in employee benefit expenses of RM0.9 million.

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

#### Property, plant and equipment

The decrease in net book value of the property, plant and equipment by RM0.9 million was mainly due to the depreciation charge of RM3.2 million, partially offset by acquisition of assets amounting to RM2.4 million during the financial year.

#### Right-of-use assets

The increase in right-of-use assets by RM2.7 million was mainly due to renewal and addition of new leases totalling RM11.6 million, partially offset by depreciation charge of RM8.7 million during the twelve months of FY2024.

#### Trade receivables and other receivables

The decrease in trade and other receivables by RM9.4 million was mainly due to the offset of rental due against the balance receivable from BWSB in relation to the leases for outlets in the Zon Johor Bahru as explained under Note 6.1 above.

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

Total prepayments decreased by RM3.3 million, from RM9.1 million as at 28 February 2023 to RM5.8 million as at 29 February 2024 which was mainly due to the reclassification of rental paid in advance of RM3.6 million as a new lease.

As at 29 February 2024 and 28 February 2023, non-current prepayment of RM4.0 million was in relation to development return paid to the State Government and City Council as mentioned in Note 11.2 and Note 15 above.

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

Inventories

The decrease in inventories of RM11.9 million was mainly due to lower purchases of inventories in 4Q FY2024.

Trade and other payables

The decrease in trade and other payables of RM1.1 million was primarily a result of reduced purchases during the period, along with timing variations in payment settlements.

Borrowings (current and non-current)

Total borrowings decreased by RM4.0 million mainly due to repayment of trade facilities of RM4.0 million.

Lease liabilities (current and non-current)

The increase of lease liabilities of RM3.9 million was mainly due to the renewal and addition of new leases totalling RM8.0 million and accretion of interest of RM7.0 million recorded during the financial year. The increases were partially offset by the payments of lease liabilities of RM11.2 million in the same period.

**Consolidated Statement of Cashflow**

The net cash flow generated by the Group from operating activities for 4Q FY2024 was RM21.1 million as compared to the RM8.5 million used in 4Q FY2023. This was mainly due to higher cash flow generated from operations mainly due to lower purchases of inventories as well as decrease in receivable recorded in the current quarter under review.

The net cash flow used in investing activities in 4Q FY2024 was lower than 4Q FY2023 by RM1.4 million mainly arising from higher purchase of property, plant and equipment in the current quarter under review.

The net cash outflows utilized in financing activities amounted to RM6.2 million, contrasting with RM4.1 million in 4Q FY2023. This change primarily arose from increased payment of lease liabilities, totalling RM2.6 million, and the absence of proceeds from short-term borrowing, which amounted to RM4.0 million in 4QFY2023. However, this was partially offset by a decrease in dividends paid, totalling RM4.5 million, during the current quarter under review.

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

Not applicable.



**19. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

The Malaysian economy expanded moderately in the fourth quarter of 2023 by 3% (3Q 2023: 3.3%). Growth was anchored by resilient domestic expenditure and recovery in external demand. On a quarter-on-quarter seasonally adjusted basis, the economy shrank by 2.1%, following a growth of 2.6% in the previous quarter (3Q 2023). Overall, the year 2023 growth for the Malaysian economy normalised to 3.7%, following a strong growth registered in the previous year (2022: 8.7%).<sup>1</sup>

In light of the aforementioned, the Group anticipates that the retail business environment in which it operates will continue to be challenging. This stems from the escalating product and operating costs due to the weakening of the Ringgit Malaysia against major foreign currencies, along with the added strain of inflationary pressures and a cautious approach to consumer spending. Hence, the Group will persist in its endeavours to improve operational efficiency and effectiveness. This includes implementing rigorous cost control measures while simultaneously devising strategies to adapt and navigate the constantly evolving business landscape. The overarching goal is to ensure that the Group's core businesses remain resilient and robust in the face of these challenges in the next twelve months.

**20. Dividend**

- (a) Current Financial Year Reported On**  
**Any dividend declared for the current financial period reported on?**  
None
- (b) Corresponding Period of the Immediately Preceding Financial Year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**  
None
- (c) Date payable**  
Not applicable.
- (d) Book closure date**  
Not applicable.

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<sup>1</sup> Source from Bank Negara Malaysia – Economic and financial developments in Malaysia in the fourth quarter of 2023

Other information required by Listing Rule Appendix 7.2

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

No dividend has been declared or recommended by the board for 4Q FY2024, as the company has paid two interim dividends in 2Q FY2024 and 3Q FY2024. The first interim dividend of S\$0.0008 per share was paid on 3 November 2023, and the second interim dividend of S\$0.00175 per share was paid on 16 February 2024.

**22. Interested Person Transactions**

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

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

### **23. Use of proceeds from placement exercises**

The Company had, on 7 March 2016, 24 March 2016, 11 August 2016, 26 August 2016 and 23 March 2017 completed five placement exercises of (i) 39 million new ordinary shares in the capital of the Company; and (ii) 5.5 million treasury shares in the capital of the Company; (iii) 20 million new ordinary shares in the capital of the Company; (iv) 30 million new ordinary shares in the capital of the Company; and (v) 34.15 million new ordinary shares in the capital of the Company respectively, raising a total net proceeds of S\$43.6 million. As the use of the net proceeds (including the percentage allocation of the net proceeds) from the above mentioned placement exercises are identical to each other, the Company has aggregated the net proceeds raised from the abovementioned placement exercises together.

The Company intends to use the net proceeds from the abovementioned placement exercises as follows:

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

The Company has utilised the net proceeds as follows:

- 1) US\$2.80 million (or approximately S\$3.82 million based on the exchange rate of S\$1.363 to US\$1.00) for the subscription for 2,800,000 new ordinary shares in Brand Connect Holding Pte. Ltd as disclosed in Note 10(iii) on 8 August 2018.
- 2) US\$0.85 million (or approximately S\$1.16 million based on the exchange rate of S\$1.37 to US\$1.00) for the purchase of inventories and payment of professional fees in relation to the acquisition of Brand Connect Holding Pte. Ltd. Group on 8 November 2018.
- 3) US\$0.80 million (or approximately S\$1.10 million based on the exchange rate of S\$1.37 to US\$1.00) for the purchase of inventories for Brand Connect Holding Pte. Ltd. Group on 5 December 2018.
- 4) US\$10.93 million (or approximately S\$14.91 million based on the exchange rate of S\$1.364 to US\$1.00) for the acquisition of 31,494,575 ordinary shares in DFZ Capital Sdn Bhd on 7 December 2021.
- 5) US\$1.53 million (or approximately S\$2.09 million based on the exchange rate of S\$1.364 to US\$1.00) for the payment of trade payables due to HAP on 7 December 2021.

As at the date of this announcement, following the abovementioned utilisation, approximately S\$20.52 million remains unutilised out of the net proceeds of S\$43.60 million from the abovementioned placement exercises.

The above utilisation of the Net Proceeds is consistent with the intended use of the net proceeds as disclosed in the Company's previous announcements released in relation to the Placement Exercises.

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

Save as disclosed below, there were no other changes in the composition of the Group during the current financial period under review.

On 9 November 2023, the Company submitted its application to the Companies Commission of Malaysia to strike off of DFZ Utara Sdn. Bhd., a dormant wholly owned subsidiary of DFZ Trading Sdn. Bhd., which is a subsidiary of the Company. The striking off of DFZ Utara Sdn. Bhd. has been completed on 26 November 2023 and ceased to be a subsidiary of the Company.

On 8 April 2024, Orchard Boulevard Sdn. Bhd. (“OBSB”), a wholly owned subsidiary of the Company, acquired a 58.4% equity interest in Kelana Megah Sdn. Bhd. (“KMSB”), a company in which OBSB previously held a minority shareholding, for an aggregate net cash consideration of RM11,500. The transfer of shares was completed on 15 April 2024.

On 9 April 2024, the Company has submitted its application to Accounting and Corporate Regulatory Authority to strike off Brand Connect Holding Pte. Ltd., Brand Connect Asia Pacific Pte. Ltd., Brand Connect Pte. Ltd. and Drinks Hub Asia Pte. Ltd. (collectively, the “BC Group”), the subsidiaries of the Company. The striking off of BC Group is not expected to have any material impact on the net tangible assets and earnings per share of the Company. Upon completion of the strike off, BC Group will cease to be subsidiaries of the Company.

**25. Confirmation by the directors and executive officers pursuant to Rule 720(1) of the Listing Manual**

The Board of Directors hereby confirms that all required undertakings pursuant to Rule 720(1) of the Listing Manual have been obtained from its Directors and Executive Officers in the format set out in Appendix 7.7 of the SGX-ST Listing Manual.

Other information required by Listing Rule Appendix 7.2

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

	<b>Group</b>		
	FY2024 RM'000	FY2023 RM'000	% increase/ (decrease) RM'000
(a) Revenue reported for first half year	69,984	59,129	18.4%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	6,011	3,460	73.7%
(c) Revenue reported for second half year	87,268	92,668	(5.8%)
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	8,030	11,960	(32.9%)

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

	FY2024 S\$'000	FY2024 RM'000	FY2023 S\$'000	FY2023 RM'000
Ordinary Shares	3,055	10,730	2,396	7,855

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

There is no person occupying a managerial position in the Group who is a relative of a director, chief executive officer, or substantial shareholder of the Company pursuant to Rule 704(13) of the Listing Manual.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the period ended 29 February 2024 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

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

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Lee Sze Siang  
Director

24 April 2024