

Immediate Release

Duty Free International Posts Third Quarter Results

- **Steady Revenue growth of 25.6% in 3Q2020**
- **Cash position remains robust, cash and cash equivalents increased by RM45.1 million to RM341.2 million in 3Q2020**
- **Announced Capital Reduction exercise plan to improve shareholders' return on equity**

SINGAPORE, 13 January 2020 – SGX Mainboard listed Duty Free International Limited (SGX: 5SO) (“**DFI**”, the “**Company**”, or collectively with its subsidiaries, the “**Group**”), the largest multi-channel duty free and duty paid retail group in Malaysia with strategic locations across Peninsular Malaysia, today announced its financial results for its third quarter (“**3Q2020**”) and nine months (“**9M2020**”) ended 30 November 2019.

Financial Highlights

<i>RM (Million)</i>	3Q2020	3Q2019	Change	9M2020	9M2019	Change
			%			%
Revenue	197.2	157.0	25.6	447.5	388.8	15.1
Profit Before Income Tax	12.1	20.6	-41.0	32.0	51.9	-38.2
Net Profit	9.5	17.1	-44.0	22.7	40.7	-44.2
Net Profit Attributable to Shareholders	7.9	15.2	-48.0	20.0	36.6	-45.3

The Group registered a revenue growth of approximately 25.6% or RM40.2 million in 3Q2020 to RM197.2 million from RM157.0 million in the corresponding period. The increase in revenue

was mainly attributable to the contributions from Brand Connect Group and the trading of duty-free goods and non-dutiable merchandise as compared to 3Q2019.

The Group registered a profit before income tax of RM12.1 million in 3Q2020, which was lower than the profit before income tax of RM20.6 million recorded in 3Q2019 due to lower profit margin and net loss in foreign exchange, partially offset by the decrease in inventory written-down of RM0.8 million as compared to 3Q2019.

As a consequence of the aforementioned, the Group posted a net profit of RM9.5 million and net profit attributable to shareholders of RM7.9 million in 3Q2020. The Group registered a net profit of RM22.7 million and net profit attributable to shareholders of RM20.0 million in the nine months of 2020.

Balance Sheet and Cash Flow Highlights

The Group's total equity stood at RM568.1 million as at 30 November 2019. During the fiscal quarter, the Group's net cash generated from operating activities was RM61.6 million. Net cash generated from investing activities was RM1.1 million in 3Q2020, mainly due to interest received of RM2.8 million, partially offset by the purchase of plant and equipment amounting to RM1.7 million. Net cash used in financing activities for 3Q2020 of RM17.7 million was mainly attributable to the dividend pay-out of RM18.4 million.

Overall, the cash and cash equivalents of the Group increased by RM45.1 million in 3Q2020, ending the period in a healthy cash position of RM341.2 million.

Business Outlook

During the fiscal quarter, the Group proposed to undertake a Capital Reduction exercise to return to shareholders its surplus capital through a cash distribution of S\$0.035 for each ordinary share in the share capital of the Group held by its shareholders. The Group plans to seek shareholders' approval for the Capital Reduction exercise at Extraordinary General Meeting which will be convened on a later date.

Against the backdrop of the increasingly competitive business environment and current economic condition of foreign currencies volatility, particularly the Ringgit Malaysia against the



Duty Free International Limited
Wisma Atlan, 8, Persiaran Kampung Jawa,
Bayan Lepas, 11900 Penang, Malaysia.
T: (604) 6413 200 F: (604) 6423 200
www.dfi.com.sg
138, Cecil Street, #12-01A Cecil Court,
Singapore 069538
T: (65) 6534 0181 F: (65) 6725 0522

US Dollar, the Group anticipates its business to remain challenging for the remaining quarter of FY2020. The Group will continue its efforts to enhance its operational efficiency including stringent cost control measures while concurrently implementing several initiatives to widen its customer base in order to remain competitive in the retail industry.

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About Duty Free International Ltd. and DFZ Capital Sdn Bhd

DFZ Capital Sdn Bhd, a group subsidiary of DFI with an operating history of more than 40 years, is the largest multi-channel duty free and duty paid retailing group in Malaysia. The Company through its “ZON” brand of retail shops serves both Malaysian and international customers across all major entry and exit points in Peninsular Malaysia including operations at international and domestic airports, duty free zones, seaports, border towns, duty free islands and other tourist destinations. For more information, please visit <http://dfi.com.sg>

Investor Relations and Media Contact:

Ms Emily Choo

Mobile: +65 9734 6565

Email: emily@gem-comm.com