

## INCREASE IN SHAREHOLDING IN SUBSIDIARY

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The board of directors (“**Board**”) of Duty Free International Limited (“**Company**”) wishes to announce that it has on 13 May 2020 entered into a sale and purchase agreement (“**Agreement**”) with Robert Justin Frizelle, Green Point Associates Pte. Ltd. (together with the Company, the “**Purchasers**”) and Meridian Compass Limited (the “**Seller**”), pursuant to which the Seller has agreed to sell, and the Purchasers have agreed to purchase, in aggregate 400,000 ordinary shares (“**Sale Shares**”) in the capital of Brand Connect Holding Pte. Ltd. (“**BCH**”), representing 10% of the issued and paid up share capital in BCH. The Company’s proportionate share of the Sale Shares is 311,112 Sale Shares. Completion of the acquisition of the Sale Shares has taken place today on 13 May 2020 (“**Closing**”).

BCH is an existing subsidiary of the Company and the Company holds 2,800,000 ordinary shares comprising 70% of BCH’s share capital prior to Closing.

At Closing, the Company will pay a consideration of US\$1 (the “**Consideration**”) for its proportion of the Sale Shares subject to the following taking place on or following Closing, namely:

- (i) all shares held by BCH (directly or indirectly) in Brand Connect Thailand Co. Ltd. and Brand Connect Vietnam Co. Ltd. shall be transferred to the Seller or its nominee;
- (ii) certain accounts receivable in cash due and payable to Brand Connect Asia Pacific Pte. Ltd. shall be assigned to the Seller;
- (iii) specified stocks and inventory of Brand Connect Asia Pacific Pte. Ltd. shall be transferred to the Seller; and
- (iv) the intercompany loans with Brand Connect Thailand Co. Ltd. and Brand Connect Vietnam Co. Ltd., outstanding as at closing, shall be waived.

The consideration for the above transaction was arrived at following arm’s length negotiations, based on the parties’ agreed adjusted net asset value of BCH (together with its subsidiaries, the “**BCH Group**”) of approximately US\$2,000,000 as at 1 May 2020. No independent valuation was conducted in respect of the value of the BCH Group. The Consideration will be satisfied in cash and is funded from the Company’s internal resources.

Upon closing, the Company’s shareholding in BCH will increase from 70% to approximately 78%.

Mr. Patrick James Loram shall resign as the Chief Operating Officer of the BCH Group with effect from Closing and Brand Connect Vietnam Co. Ltd. and Brand Connect Thailand Co. Ltd. shall cease to be part of the BCH Group thereafter.

The transaction is not expected to have any material impact on the net tangible assets per share or earnings per share of the Company for the current financial year.

None of the directors of the Company has any interest, direct or indirect, in the transaction, other than through their respective shareholding interests in the Company.

BY ORDER OF THE BOARD  
**DUTY FREE INTERNATIONAL LIMITED**

Lee Sze Siang  
Executive Director  
13 May 2020