



DUTY FREE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

CUSTOM MATTERS RELATING TO A SUBSIDIARY OF THE COMPANY

The Board of Directors of Duty Free International Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that its subsidiary, Seruntun Maju Sdn. Bhd. (“**SMSB**”) has received the bills of demand dated 14 November 2017 from the Royal Malaysian Customs of Perak Darul Ridzuan (“**Customs**”), which SMSB received on 21 November 2017, demanding payments of customs duties, excise duties sales tax and Goods and Services Tax (“**GST**”) as follows:-

- i) RM15,400,962.14 claimed under the Customs Act 1967, for the period of 15 November 2014 to 30 September 2016.
- ii) RM23,560,972.94 claimed under the Excise Act 1976, for the period of 15 November 2014 to 30 September 2016.
- iii) RM377,704.90 claimed under the Sales Tax Act 1972, for the period of 15 November 2014 to 30 September 2016.
- iv) RM2,255,346.88 claimed under the Goods and Services Tax Act 2014, for the period of 15 November 2014 to 30 September 2016.

The said Bills of demand were raised by the Customs Department who alleged that SMSB did not comply with certain conditions of a duty-free shop located at the border of Perintah Tetap Kastam Bil 55.

The Company, after consultation with its solicitors, strongly believes that there is no legal and/or factual basis for Customs Department to arrive at their decision to raise the said Bills of demand. This is especially when SMSB’s duty free shop is located outside the principal customs area. The solicitors of SMSB will be taking the necessary defence actions on its behalf.

On 29th November 2017, the High Court granted leave to SMSB’s application for judicial review, as well as an interim stay of the enforcement of the following bills of demand until the disposal of the *inter partes* stay hearing:

- i) RM15,400,962.14 claimed under the Customs Act 1967, for the period of 15 November 2014 to 30 September 2016.
- ii) RM23,560,972.94 claimed under the Excise Act 1976, for the period of 15 November 2014 to 30 September 2016.

Concurrently, SMSB will also appeal to the Director General in respect of the sales tax pursuant to Section 68 of the Sales Tax Act and will submit an application for the Director General in respect of GST pursuant to Section 124 of the GST Act.

The Company will make the necessary announcement on any new development relating to the above matter from time to time.

By Order of the Board

Lee Sze Siang
Executive Director
30 November 2017