

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

**UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD
QUARTER AND NINE MONTHS ENDED
30 NOVEMBER 2018**

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

Part 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1,Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Consolidated Income Statement

Note	Group Third quarter ended 30 November			Group Nine months ended 30 November		
	2018 (Unaudited)	Restated 2017 (Unaudited)	Increase/ (Decrease) %	2018 (Unaudited)	Restated 2017 (Unaudited)	Increase/ (Decrease) %
	RM '000	RM '000		RM '000	RM '000	
Revenue	157,003	131,599	19.3%	388,845	443,017	-12.2%
Changes in inventories	38,781	17,660	119.6%	43,189	(32,909)	-231.2%
Inventories purchased and material consumed	(149,159)	(107,693)	38.5%	(304,912)	(274,001)	11.3%
Other operating income	4,141	3,058	35.4%	12,950	10,268	26.1%
Employee benefits expenses	(9,304)	(9,126)	2.0%	(27,353)	(27,256)	0.4%
Rental of premises	(12,232)	(11,265)	8.6%	(35,371)	(33,956)	4.2%
Utilities and maintenance expenses	(1,399)	(1,390)	0.6%	(4,047)	(4,204)	-3.7%
Depreciation and amortisation	(1,525)	(1,345)	13.4%	(4,518)	(4,125)	9.5%
Commission expenses	(496)	(475)	4.4%	(2,000)	(1,465)	36.5%
Professional fees	(842)	(107)	686.9%	(2,039)	(118)	1628.0%
Promotional expenses	(454)	(371)	22.4%	(1,310)	(1,029)	27.3%
Financial expenses	(117)	(19)	515.9%	(357)	(239)	49.4%
Gain arising from changes in fair value of option	1,017	429	137.0%	1,017	7,977	-87.3%
Realised foreign exchange (loss)/gain	(862)	32	-2793.7%	443	596	-25.7%
Unrealised foreign exchange gain/(loss)	2,376	(7,570)	-131.5%	6,352	(13,870)	-145.8%
Share of results of associate	(46)	-	n.m	(28)	-	n.m
Other operating expenses	(6,289)	(4,938)	27.4%	(19,010)	(16,699)	13.8%
Profit before income tax	20,593	8,479	142.9%	51,851	51,987	-0.3%
Income tax expenses	(3,537)	(3,902)	-9.4%	(11,168)	(15,305)	-27.0%
Profit for the period	17,056	4,577	272.6%	40,683	36,682	10.9%
Profit attributable to:						
Owners of the Company	15,211	3,255	367.3%	36,553	32,374	12.9%
Non-controlling interests	1,845	1,322	39.6%	4,130	4,308	-4.1%
	17,056	4,577	272.6%	40,683	36,682	10.9%

n.m - denotes not meaningful

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1 (a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

Consolidated Statement of Comprehensive Income

	Group			Group		
	Third quarter ended			Nine months ended		
	30 November			30 November		
	2018	Restated	Increase/	2018	Restated	Increase/
	(Unaudited)	2017	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)
	RM '000	RM '000	%	RM '000	RM '000	%
Profit for the period	17,056	4,577	272.6%	40,683	36,682	10.9%
Other comprehensive income:						
Foreign currency translation	425	-	n.m	467	-	n.m
Total comprehensive income for the period	17,481	4,577	281.9%	41,150	36,682	12.2%
Total comprehensive income attributable to:						
Owners of the Company	15,512	3,255	376.6%	36,877	32,374	13.9%
Non-controlling interests	1,969	1,322	48.9%	4,273	4,308	-0.8%
	17,481	4,577	281.9%	41,150	36,682	12.2%

n.m - denotes not meaningful

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1(a)(ii) Other operating income

Other operating income includes:-

	Group			Group		
	Third quarter ended			Nine months ended		
	2018	2017	Increase/	2018	2017	Increase/
(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)	
RM '000	RM '000	%	RM '000	RM '000	%	
Rental income from:						
- advertisement space	768	746	2.9%	2,307	2,570	-10.2%
- property, plant and equipment	127	138	-8.0%	391	435	-10.1%
Commission income	15	16	-6.3%	55	166	-66.9%
Incentive income	62	173	-64.2%	231	190	21.6%
Interest income	2,628	1,917	37.1%	8,511	5,426	56.9%
Gain on disposal of property, plant and equipment	1	27	-96.3%	29	74	-60.8%
Promotion income	159	148	7.4%	755	213	254.5%
Sundry income	291	10	2810.0%	417	391	6.6%
Reversal of impairment losses for property, plant and equipment	7	-	n.m	13	-	n.m

1(a)(iii) Other operating expenses

Other operating expenses is arrived at after charging/(crediting) the following:-

	Group			Group		
	Third quarter ended			Nine months ended		
	2018	2017	Increase/	2018	2017	Increase/
(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)	
RM '000	RM '000	%	RM '000	RM '000	%	
Assessment and quit rent	211	207	1.9%	729	708	3.0%
Auditors' remuneration	255	248	2.8%	740	768	-3.6%
Bad debts written off	-	49	-100.0%	-	49	-100.0%
Bank charges	378	323	17.0%	1,359	854	59.1%
Donations	13	13	0.0%	3,057	55	5458.2%
Insurance	264	198	33.3%	1,030	1,316	-21.7%
Inventory written down	764	299	155.5%	1,120	818	36.9%
Inventory written off	13	49	-73.5%	60	127	-52.8%
Loss/(gain) arising from changes in fair value of biological assets	33	(63)	-150.8%	94	22	322.7%
Management fee	1,012	916	10.5%	2,161	2,998	-27.9%
Packing materials	299	224	33.5%	641	593	8.1%
Property, plant and equipment written off	23	6	283.3%	64	8	700.0%
Transportation costs	727	520	39.8%	1,328	1,408	-5.7%
Travelling expenses	353	397	-11.1%	998	960	4.0%
Reversal of inventories written down	5	(32)	-115.6%	(55)	(341)	-83.9%

n.m - denotes not meaningful

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1(a)(iv) Income tax expenses

	Group			Group		
	Third quarter ended		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	2018	2017		2018	2017	
	(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)
	RM '000	RM '000	%	RM '000	RM '000	%
Current income tax attributable to continuing operations						
- current income tax	4,302	4,154	3.6%	11,669	15,614	-25.3%
- over provision in respect of previous years	(831)	(186)	346.8%	(780)	(186)	319.4%
	<u>3,471</u>	<u>3,968</u>	<u>-12.5%</u>	<u>10,889</u>	<u>15,428</u>	<u>-29.4%</u>
Deferred income tax attributable to continuing operations	66	(66)	-200.0%	279	(123)	-326.8%
Income tax expense recognised in profit or loss	<u>3,537</u>	<u>3,902</u>	<u>-9.4%</u>	<u>11,168</u>	<u>15,305</u>	<u>-27.0%</u>

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1(b)(i) A statement of financial position (for the issuer and group) together with a comparative statement as at the end of the immediately preceding financial year

	Note	Group			Company	
		30.11.2018 (Unaudited) RM '000	Restated * 28.02.2018 (Unaudited) RM '000	Restated * 01.03.2017 (Unaudited) RM '000	30.11.2018 (Unaudited) RM '000	28.02.2018 (Audited) RM '000
Assets						
Non-current assets						
Property, plant and equipment		71,459	71,842	74,379	-	-
Land use rights		23,000	23,349	23,814	-	-
Goodwill		29,478	28,816	28,816	-	-
Investment in subsidiaries		-	-	-	852,022	840,617
Investment in associate		-	-	-	-	-
Prepayments		32,154	39,489	49,270	-	-
Deferred tax assets		912	1,259	853	-	-
		<u>157,003</u>	<u>164,755</u>	<u>177,132</u>	<u>852,022</u>	<u>840,617</u>
Current assets						
Biological assets	1(b)(iv)	58	152	187	-	-
Inventories		177,507	135,443	199,987	-	-
Tax recoverable		6,868	4,412	3,641	-	-
Trade and other receivables	1(b)(v)	155,723	58,919	56,698	83,135	17,000
Prepayments		13,375	12,338	11,705	500	15
Cash and bank balances		230,687	373,041	272,194	167,538	277,388
		<u>584,218</u>	<u>584,305</u>	<u>544,412</u>	<u>251,173</u>	<u>294,403</u>
Total assets		<u>741,221</u>	<u>749,060</u>	<u>721,544</u>	<u>1,103,195</u>	<u>1,135,020</u>
Equity and liabilities						
Current liabilities						
Trade and other payables	1(b)(vi)	123,977	124,886	144,848	867	37,018
Borrowings	1(b)(ii) & (iii)	3,323	15,610	5,977	-	-
Income tax payable		2,199	2,697	3,954	217	232
Derivative liabilities		-	1,043	9,003	-	1,017
		<u>129,499</u>	<u>144,236</u>	<u>163,782</u>	<u>1,084</u>	<u>38,267</u>
Net current assets		454,719	440,069	380,630	250,089	256,136
Non-current liabilities						
Borrowings	1(b)(ii)	641	756	1,097	-	-
Deferred tax liabilities		4,315	4,383	4,368	-	-
		<u>4,956</u>	<u>5,139</u>	<u>5,465</u>	<u>-</u>	<u>-</u>
Total liabilities		134,455	149,375	169,247	1,084	38,267
Net assets		<u>606,766</u>	<u>599,685</u>	<u>552,297</u>	<u>1,102,111</u>	<u>1,096,753</u>
Equity attributable to owners of the Company						
Share capital		616,752	616,752	576,941	1,107,574	1,107,574
Treasury shares		(16,122)	(10,517)	(532)	(16,122)	(10,517)
Other reserves		(141,399)	(141,723)	(110,674)	661	661
Retained earnings/(accumulated losses)		125,149	117,514	70,345	9,998	(965)
		<u>584,380</u>	<u>582,026</u>	<u>536,080</u>	<u>1,102,111</u>	<u>1,096,753</u>
Non-controlling interests		22,386	17,659	16,217	-	-
Total equity		<u>606,766</u>	<u>599,685</u>	<u>552,297</u>	<u>1,102,111</u>	<u>1,096,753</u>
Total equity and liabilities		<u>741,221</u>	<u>749,060</u>	<u>721,544</u>	<u>1,103,195</u>	<u>1,135,020</u>

* Relates to retrospective effects upon application of Singapore Financial Reporting Framework (International) ("SFRS(I)") and the adoption of SFRS(I) 15 Revenue from Contracts with Customers (see Section 5 for further details).

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1(b)(ii) Aggregate amount of the group's borrowings and debts securities

	30.11.2018		28.02.2018	
	Secured RM '000	Unsecured RM '000	Secured RM '000	Unsecured RM '000
Amount repayable in one year or less or on demand	3,323	-	15,610	-
Amount repayable after one year	641	-	756	-

Details of any collateral

The borrowings are secured by way of:

- deposits with licensed banks amounting to RM9,097,000 (28.02.2018: RM8,901,000); and
- corporate guarantees from the Company and the penultimate holding company.

1(b)(iii) Short term borrowings

	30.11.2018 RM'000	28.02.2018 RM'000
The Group's short term borrowings are for:		
- trade facilities	2,911	15,202
- hire purchases	412	408
	<u>3,323</u>	<u>15,610</u>

1(b)(iv) Biological assets

	30.11.2018 RM'000	28.02.2018 RM'000
At fair value:		
Balance b/f	152	187
Fair value changes	(94)	(35)
Balance c/f	<u>58</u>	<u>152</u>

1(b)(v) Trade and other receivables

	30.11.2018 RM'000	28.02.2018 RM'000
Trade receivables, net	15,919	5,471
Deposits	53,937	3,187
Sundry receivables, net:		
- amount due from Berjaya Waterfront Sdn Bhd (refer to page 8 of this report)	40,454	40,434
- others	15,413	9,827
Debt securities * (refer to page 8 of this report)	30,000	-
	<u>155,723</u>	<u>58,919</u>

Please refer to Paragraph 8 under the caption of "Statement of Financial Position - Assets" for further details.

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1(b)(v) Trade and other receivables (cont'd)

	Company	
	30.11.2018	28.02.2018
	RM'000	RM'000
Debt securities *	30,000	-

* Debt securities comprise a Medium Term Note (MTN), expiring on 25 March 2019 with coupon rate of 6% per annum.

On 10 April 2012, the Company's subsidiaries entered into the following sale and purchase agreements with Berjaya Waterfront Sdn Bhd ("BWSB"), a subsidiary of Berjaya Assets Berhad, a corporation listed on the Bursa Malaysia Securities Berhad:

- i) The sale of Darul Metro Sdn Bhd's ("DMSB") legal and beneficial interests over the remaining lease period in six land parcels located in The Zon Johor Bahru at Stulang Laut, Johor Bahru (the "Duty Free Zone") to BWSB for a consideration of RM325,000,000 ("DMSB Agreement"); and
 - ii) The sale of Kelana Megah Sdn Bhd's intended lease interests in the land parcel bearing lot number PTB 20379 to BWSB for a consideration of RM27,990,000 ("KMSB Agreement"),
- (collectively, the "Disposals").

The DMSB Agreement was completed on 15 March 2013 ("DMSB Completion Date"). Pursuant to the terms of the DMSB Agreement, RM80.0 million being the balance of the aggregate sale consideration of RM325.0 million, was deferred and payable by BWSB within 12 months from the DMSB Completion Date, together with interest charged at 6% per annum from the DMSB Completion Date. There have been several extensions mutually agreed by the parties since the initial due date. After partial repayments of the consideration, the outstanding balance as at 28 February 2017 was RM40.0 million. Throughout the term that the balance was outstanding, BWSB has been paying interest at 6% per annum up to 15 July 2015 and 9% per annum from 16 July 2015 onwards.

On 3 April 2018, BWSB requested for a further deferment of the unpaid consideration of RM40.0 million to be paid on or before 15 April 2019 and that BWSB continue to pay interest at 9% per annum on the unpaid consideration on a quarterly basis. The Company had agreed to the request of BWSB.

For the KMSB Agreement, the conditions precedent as stipulated have not been fulfilled as at the date of this announcement. The Company will continue to keep its shareholders informed of any developments in due course.

1(b)(vii) Trade and other payables

	Group	
	30.11.2018	28.02.2018
	RM'000	RM'000
Trade payables	102,098	66,418
Other payables	21,319	21,689
Dividends payable to ordinary shareholders by the Company	-	36,219
Deposit received for the KMSB Agreement	560	560
	<u>123,977</u>	<u>124,886</u>

	Company	
	30.11.2018	28.02.2018
	RM'000	RM'000
Dividends payable to ordinary shareholders	-	36,219
Sundry payables, net:		
- others	867	799
	<u>867</u>	<u>37,018</u>

Please refer to Paragraph 8 under the caption of "Statement of Financial Position - Liabilities" for further details.

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		Group	
	Third quarter ended		Nine months ended	
	30 November		30 November	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
Profit before tax	20,593	8,479	51,851	51,987
Adjustments for:-				
Bad debts written off	-	49	-	49
Depreciation and amortisation	1,525	1,345	4,518	4,125
Gain on disposal of property, plant and equipment	(1)	(27)	(29)	(74)
Loss/(gain) arising from changes in fair values of biological assets	33	(63)	94	22
Gain arising from changes in fair value of option	(1,017)	(429)	(1,017)	(7,977)
Finance cost	117	19	357	239
Interest income	(2,628)	(1,917)	(8,511)	(5,426)
Inventory written down	764	299	1,120	818
Inventory written off	13	49	60	127
Property, plant and equipment written off	23	6	64	8
Reversal of inventories written down	5	(32)	(55)	(341)
Reversal of impairment losses for property, plant and equipment	(6)	-	(13)	-
Share of results of associate	46	-	28	-
Net unrealised foreign exchange (gain)/loss	(2,377)	7,570	(6,352)	13,870
Operating cash flows before changes in working capital	17,090	15,348	42,115	57,427
(Increase)/decrease in receivables	(58,954)	3,112	(66,802)	(1,365)
Decrease in prepayments	3,597	2,979	6,297	6,777
(Increase)/decrease in inventories	(38,781)	(17,660)	(43,189)	32,909
Decrease in payables	50,293	34,582	31,557	49
Cash (used in)/generated from operations	(26,755)	38,362	(30,022)	95,797
Tax paid	(2,865)	(5,399)	(13,842)	(16,622)
Interest paid	(117)	(19)	(357)	(239)
Net cash (used in)/generated from operating activities	(29,737)	32,943	(44,221)	78,936
CASH FLOWS FROM INVESTING ACTIVITIES				
Net cash inflow on acquisition of a subsidiary	-	-	1,663	-
Interest received	2,637	1,927	8,491	5,436
Investment in debt securities	-	-	(30,000)	-
Proceeds from disposal of property, plant and equipment	1	-	42	-
Purchase of property, plant and equipment and land use rights	(577)	(912)	(3,641)	(1,888)
Net cash generated from/(used in) investing activities	2,061	1,015	(23,445)	3,548

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1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Group		Group	
	Third quarter ended		Nine months ended	
	30 November		30 November	
	2018	2017	2018	2017
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM FINANCING ACTIVITIES				
Capital contribution from non-controlling interest in a subsidiary	-	-	4,879	-
(Increase)/decrease in pledged fixed deposits	(35)	(82)	(196)	1,818
Repayment of term loans	50	-	50	-
Proceeds from/(repayment of) other short term borrowings	1,184	(4,940)	(12,340)	(5,540)
Repayment of hire purchase and lease financing	(107)	(108)	(321)	(339)
Proceeds from issuance of new ordinary shares	-	-	-	39,811
Purchase of treasury shares	(273)	(2,584)	(5,605)	(9,985)
Dividends paid to the ordinary shareholders of the Company	-	(18,859)	(65,137)	(79,777)
Dividends paid to non-controlling interests of subsidiaries	-	(1,901)	(4,425)	(7,077)
Net cash generated from/(used in) financing activities	<u>819</u>	<u>(28,474)</u>	<u>(83,095)</u>	<u>(61,089)</u>
Net (decrease)/increase in cash and cash equivalents	(26,857)	5,484	(150,761)	21,395
Effects of foreign exchange rate changes	620	(8,295)	8,211	(15,348)
Cash and cash equivalents at beginning of period/year	247,827	270,374	364,140	261,516
Cash and cash equivalents at end of period/year	<u>221,590</u>	<u>267,562</u>	<u>221,590</u>	<u>267,563</u>
Cash and cash equivalents carried forward consists of :-				
Deposits with licenced banks	158,523	235,157	158,523	235,157
Less : Pledged deposits	(9,097)	(8,859)	(9,097)	(8,859)
	<u>149,426</u>	<u>226,297</u>	<u>149,426</u>	<u>226,298</u>
Cash and bank balances	72,164	41,265	72,164	41,265
	<u>221,590</u>	<u>267,562</u>	<u>221,590</u>	<u>267,563</u>

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1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	← ATTRIBUTABLE TO OWNERS OF THE PARENT →								NON-	TOTAL
	← Non-distributable →			Distributable →					CONTROLLING	
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign exchange reserve RM'000	Net premium paid/ received on transactions with non-controlling interests RM'000	Others reserve RM'000	Retained earnings RM'000	Total RM'000	INTERESTS RM'000	RM'000
GROUP (Cont'd)										
At 1 March 2017	576,941	(532)	(110,674)	29	(142,413)	31,710	70,345	536,080	16,217	552,297
Profit, net of tax	-	-	-	-	-	-	32,374	32,374	4,308	36,682
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	32,374	32,374	4,308	36,682
Transfer of reserve arising from expiring of	-	-	(31,049)	-	-	(31,049)	31,049	-	-	-
Transactions with owners:										
Purchase of treasury shares	-	(9,985)	-	-	-	-	-	(9,985)	-	(9,985)
Allotment of new ordinary shares	41,032	-	-	-	-	-	-	41,032	-	41,032
Share issuance expenses	(1,221)	-	-	-	-	-	-	(1,221)	-	(1,221)
Dividend on ordinary shares	-	-	-	-	-	-	(32,565)	(32,565)	-	(32,565)
Dividend payable to non-controlling interests	-	-	-	-	-	-	-	-	(8,210)	(8,210)
Total transactions with owners	39,811	(9,985)	-	-	-	-	(32,565)	(2,739)	(8,210)	(10,949)
Transactions with non-controlling interests:	-	-	-	-	-	-	-	-	-	-
At 30 November 2017	616,752	(10,517)	(141,723)	29	(142,413)	661	101,203	565,715	12,315	578,030

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

I(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	← ATTRIBUTABLE TO OWNERS OF THE COMPANY →									
	← Non-distributable →			Distributable						
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign exchange reserve RM'000	Net premium paid/ received on transactions with non-controlling interests RM'000	Gain on reissuance of treasury shares 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
GROUP (Cont'd)										
At 1 March 2018	616,752	(10,517)	(141,723)	29	(142,413)	661	117,514	582,026	17,659	599,685
Profit, net of tax	-	-	-	-	-	-	36,553	36,553	4,130	40,683
Foreign currency translation	-	-	324	324	-	-	-	324	143	467
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-
	-	-	324	324	-	-	36,553	36,877	4,273	41,150
Transactions with owners:										
Purchase of treasury shares	-	(5,605)	-	-	-	-	-	(5,605)	-	(5,605)
Capital contribution from non-controlling interest in subsidiaries	-	-	-	-	-	-	-	-	4,879	4,879
Dividend on ordinary shares	-	-	-	-	-	-	(28,918)	(28,918)	-	(28,918)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	(4,425)	(4,425)
Total transactions with owners	-	(5,605)	-	-	-	-	(28,918)	(34,523)	454	(34,069)
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-
At 30 November 2018	616,752	(16,122)	(141,399)	353	(142,413)	661	125,149	584,380	22,386	606,766

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Others reserve RM'000	Accumulated losses RM'000	Total equity RM'000
<u>COMPANY (Cont'd)</u>					
At 1 March 2017	1,067,763	(532)	31,710	(37,598)	1,061,343
Profit, net of tax	-	-	-	71,807	71,807
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	71,807	71,807
Transfer of reserve arising from expiring of warrants	-	-	(31,049)	31,049	-
Transactions with owners:					
Purchase of treasury shares	-	(9,985)	-	-	(9,985)
Allotment of new ordinary shares	41,032	-	-	-	41,032
Share issuance expenses	(1,221)	-	-	-	(1,221)
Dividend	-	-	-	(32,565)	(32,565)
	39,811	(9,985)	-	(32,565)	(2,739)
At 30 November 2017	1,107,574	(10,517)	661	32,693	1,130,411

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

1(d)(i) A statement (for the issuer and group), showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)

	Ordinary shares RM'000	Treasury shares RM'000	Gain on reissuance of treasury shares RM'000	(Accumulated losses)/ retained earnings RM'000	Total equity RM'000
<u>COMPANY (Cont'd)</u>					
At 1 March 2018	1,107,574	(10,517)	661	(965)	1,096,753
Profit, net of tax	-	-	-	39,881	39,881
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	39,881	39,881
Transactions with owners:					
Purchase of treasury shares	-	(5,605)	-	-	(5,605)
Allotment of new ordinary shares	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
Dividend	-	-	-	(28,918)	(28,918)
	-	(5,605)	-	(28,918)	(34,523)
At 30 November 2018	1,107,574	(16,122)	661	9,998	1,102,111

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buybacks, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period

Share Capital – Ordinary Shares

	Company	
	Number of Shares '000	Share Capital RM'000
As at 31 August 2018	1,209,527	1,107,574
Purchase of shares pursuant to the Share Buy-Back Mandate approved by the shareholders on 28 June 2018	(529)	-
As at 30 November 2018	1,208,998	1,107,574

Outstanding Convertible Securities

	Company	
	As at 30 November 2018	As at 30 November 2017
Number of outstanding convertible securities ('000)	491,400	491,400
Number of ordinary shares upon conversion of convertibles ('000)	491,400	491,400
Total number of ordinary shares issued excluding treasury shares ('000)	1,208,998	1,218,046
As a percentage of total ordinary shares issued (%)	40.6	40.3

Total treasury shares as at 30 November 2018 was 20,200,600 (30 November 2017: 11,151,900).

During the third quarter ended 30 November 2018 and up to the date of this announcement, the Company purchased a total of 9,600,800 shares in the Company on the open market for a

total consideration of approximately RM5,987,000 (including transaction costs), financed by internally generated funds. The shares acquired by the Company were held as treasury shares.

As at the date of this announcement, the Company's issued and paid-up share capital comprises 1,208,445,693 ordinary shares, excluding treasury shares and Company has 491,400,042 outstanding convertible warrants each with exercise price of S\$0.43 expiring 13 May 2022. The Company's treasury shares as at the date of this announcement is 20,752,700.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 30 November 2018.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as the end of the immediately preceding year

Total number of issued shares excluding treasury shares as at 30 November 2018 was 1,208,997,793 (28 February 2018: 1,218,046,493). Total treasury shares as at 30 November 2018 was 20,200,600 (28 February 2018: 11,151,900).

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on

During the third quarter ended 30 November 2018 ("3Q FY2019"), a total of 529,700 ordinary shares were acquired pursuant to the Share Buy-Back Mandate approved by the shareholders. The shares were held as treasury shares as at 30 November 2018.

1 (d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard practice

These figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditor's report (including any qualifications or emphasis of matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group and the Company have applied the same accounting policies and methods of computation for the current reporting period, compared with the last audited financial statements as at 28 February 2018, except for the adoption of Singapore Financial Reporting Framework (International) ("SFRS(I)"), a new financial reporting framework identical to the International Financial Reporting Standards. The Group and the Company has adopted

SFRS(I) on 1 March 2018, including improvements to SFRS(I) and Interpretations of SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018. The adoption of these new and revised standards and interpretations did not result in significant change to the Group's accounting policies and did not have a material impact on the Group's results for the current financial period except for SFRS(I) 15 Revenue as explained in Note 5.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of the changes

On 1 March 2018, the Group and the Company has adopted SFRS(I) and Interpretations of SFRS(I) that are mandatory for application on or after 1 January 2018.

Except for the adoption of SFRS(I) 15 Revenue from Contracts with Customers, the application of these new SFRS(I) did not result in changes in the Group's accounting policies and has no material effect on the amount reported for the current period or prior years.

The impact of adoption of amendments to SFRS(I) 15 is summarized below:

Consolidated Income Statement

	3rd Quarter ended 30 November 2017		Nine months ended 30 November 2017	
	As previously stated (RM'000)	As restated (RM'000)	As previously stated (RM'000)	As restated (RM'000)
Revenue	133,545	131,599	449,351	443,017
Inventories purchased and material consumed	(109,639)	(107,693)	(280,335)	(274,001)

6 Earnings per ordinary shares of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group		Group	
	Third quarter ended 30 November		Nine months ended 30 November	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Profit for the period, net of tax attributable to owners of the Company	15,211	3,255	36,553	32,374
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,209,353	1,219,014	1,212,688	1,219,853

Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,209,353	1,219,014	1,212,688	1,219,853
Earnings per ordinary share from continuing operations attributable to owners of the Company (RM sen):				
(a) Basic	1.26	0.27	3.01	2.65
(b) Fully diluted	1.26	0.27	3.01	2.65

For 3Q FY2019, 3Q FY2018, 9M FY2019 and 9M FY2018, as there were no potential dilutive ordinary shares, earnings per share on a fully diluted basis is the same as basic earnings per share based on weighted average number of shares in issue.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year

	Group		Company	
	As at 30 November 2018	As at 28 February 2018	As at 30 November 2018	As at 28 February 2018
Net asset value per ordinary share (RM sen)	48.34	47.78	91.16	90.04
Number of shares used in calculating net asset value per share ('000)	1,208,998	1,218,046	1,208,998	1,218,046

Net asset value per ordinary share is computed based on Total equity less non-controlling interests divided by the Number of Shares.

8 A review of performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs and earnings for the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets and liabilities of the group during the current financial period reported on

Statement of Comprehensive Income

Third quarter ended 30 November 2018 ("3Q FY2019") vs Third quarter ended 30 November 2017 ("3Q FY2018")

Revenue

The Group recorded a revenue of RM157.0 million in 3Q FY2019, representing an increase of 19.3% or RM25.4 million, over the revenue of RM131.6 million in 3Q FY2018. The improvement was mainly due to increase in demand for certain products and sales mix.

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 reported on. In 3Q FY2019, the value of the closing inventories was higher than the value of the opening inventories by RM38.8 million. In 3Q FY2018, the value of the closing inventories was higher by RM17.7 million. This resulted in a variance of RM21.1 million for 3Q FY2019 vis-à-vis 3Q FY2018, which was mainly due to consolidation of the inventories of the newly acquired Brand Connect Group as well as timing differences in purchases and consumption of inventories in the respective quarters.

Inventories purchased and material consumed

Inventories purchased and material consumed increased by 38.5% or RM41.5 million, from RM107.7 million in 3Q FY2018 to RM149.2 million in 3Q FY2019. This was mainly due to consolidation of purchases from the newly acquired Brand Connect Group as well as higher purchases as compared with the corresponding quarter of the previous financial year.

Other operating income

Other operating income increased by RM1.0 million from RM3.1 million in 3Q FY2018 to RM4.1 million in 3Q FY2019. The increase was mainly due to increase in interest income and sundry income of RM0.7 million and RM0.3 million respectively.

Rental of premises

Rental of premises expenses comprised mainly rental payable to the airport authority and rental expenses of certain retail outlets. The rental of premises expenses recorded an increase of 8.6% or RM0.9 million, from RM11.3 million in 3Q FY2018 to RM12.2 million in 3Q FY2019, mainly due to rental expenses incurred for the outlets in KLIA and KLIA2 which were based partly on sales performance.

Professional fees

Total professional fees increased by RM0.7 million, from RM0.1 million in 3Q FY2018 to RM0.8 million in 3Q FY2019. The professional fees incurred for 3Q FY2019 was mainly due to advisory and consultancy services incurred in relation to corporate exercises.

Gain arising from changes in fair value of option

There was a gain arising from changes in fair value of option of RM1.0 million in 3Q FY2019 as compared to RM0.4 million gain in 3Q FY2018. The gain in fair value was in relation to the call option issued which gives Heinemann Asia Pacific Pte Ltd (“HAP”) the option to acquire a maximum of 15% additional equity interest in DFZ Capital Sdn Bhd (formerly known as DFZ Capital Berhad) (“DFZ”), a subsidiary of the Company. HAP did not exercise the Third Call Option during the exercise period for Third Tranche Call Option which had

since expired on 30 November 2018. Accordingly, there are no Call Options outstanding to require Duty Free International Limited to sell shares in DFZ to HAP after 30 November 2018.

Realised foreign exchange (loss)/gain

Realised loss in foreign exchange in 3Q FY2019 was RM0.9 million as compared to RM0.03 million realised foreign exchange gain in 3Q FY2018. This was mainly due to the currency translation loss on Group's purchases from overseas suppliers as a result of weak Ringgit Malaysia against US dollar.

Unrealised foreign exchange gain/(loss)

Unrealised gain in foreign exchange in 3Q FY2019 was RM2.4 million as compared to RM7.6 million unrealised foreign exchange loss in 3Q FY2018. This was mainly due to the currency translation to Ringgit Malaysia of the Group's deposits in financial institutions of SGD1.8 million and USD25.7 million as at 30 November 2018, whereby Ringgit Malaysia had weakened against Singapore Dollar by approximately 1.3% from RM3.00 as at 31 August 2018 to RM3.04 as at 30 November 2018 and US Dollar by approximately 1.5% from RM4.12 as at 31 August 2018 to RM4.18 as at 30 November 2018.

The rest of the expenses on the Group's profit and loss account remained largely unchanged in 3Q FY2019 as compared to 3Q FY2018.

Profit before income tax

The Group reported a profit before income tax of RM20.6 million for 3Q FY2019, which was 142.9% or RM12.1 million higher than the profit before income tax of RM8.5 million recorded in 3Q FY2018. The increase was mainly due to the higher revenue recorded, net gain in foreign exchange of RM1.5 million as compared to RM7.5 million net foreign exchange loss in 3Q FY2018 as mentioned above. In addition, interest income and sundry income had increased by RM0.7 million and RM0.3 million respectively as well as higher gain of changes in fair value of option amounting to RM0.6 million as compared to 3Q FY2018.

Nine months ended 30 November 2018 ("9M FY2019") vs Nine months ended 30 November 2017 ("9M FY2018")

The Group reported a profit before income tax of RM51.9 million for 9M FY2019, representing a decrease of 0.3% or RM0.1 million as compared to RM52.0 million recorded in 9M FY2018. The increase in profit was mainly due to net gain in foreign exchange of RM6.8 million as compared to RM13.3 million net foreign exchange loss in 9M FY2018 as the Ringgit Malaysia had weakened against US Dollar during this period. However, the positive effects was partially offset by lower revenue recorded, lower gain arising from changes in fair value of option amounting to RM7.0 million as compared to 9M FY2018, donation of RM3.0 million and higher professional fees of RM1.9 million as compared to 9M FY2018.

Statement of Financial Position

Assets

Non-current prepayments

Non-current prepayments decreased by RM7.3 million, from RM39.5 million as at 28 February 2018 to RM32.2 million as at 30 November 2018 which were mainly related to rental paid in advance for the Group's retail outlets.

Trade and other receivables

Trade receivables increased by RM10.4 million, from RM5.5 million as at 28 February 2018 to RM15.9 million as at 30 November 2018. The increase was mainly due to consolidation of trade receivables of the newly acquired Brand Connect Group (refer to Note 10(iii)) which amounted to RM11.0 million as well as timing differences in trade-related collections. In addition, deposits and sundry receivables also increased by RM50.7 million, from RM3.2 million as at 28 February 2018 to RM53.9 million as at 30 November 2018, and RM5.6 million, from RM9.8 million as at 28 February 2018 to RM15.4 million as at 30 November 2018, respectively. There was also an increase in other receivables of RM30.0 million arising from an investment in debt securities (as disclosed in Note 1(b)(v) above) as well as rental deposits of RM50.0 million for certain retail space.

Inventories

Inventories increased by RM42.1 million, from RM135.4 million as at 28 February 2018 to RM177.5 million as at 30 November 2018, mainly due to an increase of overall purchases during the financial year under review as well as consolidation of inventories of the newly acquired Brand Connect Group amounting to RM9.7 million.

Other than Cash and Bank balances which decreased by RM142.3 million from RM373.0 million to RM230.7 million, the rest of the asset items on the Group's statement of financial position remained largely unchanged as at 30 November 2018 vis-à-vis 28 February 2018.

Liabilities

Trade and other payables

The decrease in trade and other payables was mainly due to absence of dividends payable to ordinary shareholders by the Company of RM36.2 million. However, the decrease was partially offset by an increase in trade payables by RM35.7 million, from RM66.4 million as at 28 February 2018 to RM102.1 million as at 30 November 2018. The aforesaid increase in trade payables was due to higher purchases during the period.

Derivative financial liabilities

There were no derivative financial liabilities as at 30 November 2018 following the expiry of the option exercise period on 30 November 2018. The derivative financial liabilities of RM1.0 million as at 28 February 2018 were mainly in relation to the fair value of call options issued

which gives Heinemann Asia Pacific Pte Ltd (“HAP”) the option to acquire the remaining 10% additional equity interest in DFZ Capital Sdn Bhd (formerly known as DFZ Capital Berhad) (“DFZ”), a subsidiary of the Company.

Borrowings

Total borrowings decreased by RM12.4 million, from RM16.4 million as at 28 February 2018 to RM4.0 million as at 30 November 2018, mainly due to decrease in trade facilities utilisation of RM12.3 million.

As at 30 November 2018, the Group was in a positive working capital position of RM454.7 million.

Equity

Total equity decreased by RM7.1 million, from RM599.7 million as at 28 February 2018 to RM606.8 million as at 30 November 2018, mainly due to profit for the period of RM36.6 million as well as increase in capital contribution from non-controlling interest in subsidiaries of RM4.9 million in relation to the new acquisition of Brand Connect Group and an increase in non-controlling interests of RM4.1 million, partially offset by purchase of treasury shares of RM5.6 million and total dividends paid of RM33.3 million.

Statement of Cash Flows

The Group net cash flow used in operating activities was RM29.7 million in 3Q FY2019. Net cash generated from investing activities was RM2.1 million for 3Q FY2019, mainly due to interest received of RM2.6 million. However, the cash flow was partially offset by purchase of plant and equipment amounting to RM0.6 million. Net cash generated from financing activities for 3Q FY2019 of RM0.8 million was mainly due to proceeds from short term borrowings of RM1.2 million, partially offset by purchase of treasury shares of RM0.3 million. Overall, the cash and cash equivalents of the Group decreased by RM26.9 million in 3Q FY2019, ending the period with cash and cash equivalents of RM221.6 million.

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

Not applicable.

10 A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and for the next 12 months

- (i) Given the present economic outlook and the cautious consumer spending, the Group expects its retail sentiments to remain soft and challenging. The Group will continue its efforts to identify new market opportunities and strategies, strengthen its domestic distribution network and marketing channel supported by wider products offerings, as

well as close monitoring of the key cost drivers, in order to stay competitive and profitable in the remaining quarters of the financial year ending 28 February 2019.

- (ii) On 30 November 2017, the Company announced that the Company's subsidiary, Seruntun Maju Sdn. Bhd. ("SMSB") had 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") all totalling RM41,594,986.86.

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.

On 29 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 bills of demand until the disposal of the inter partes stay hearing under the Customs Act 1967 and Excise Act, 1976.

The High Court on 17 April 2018 heard the case and had fixed 25 May 2018 for decision of the matter. In addition, the High Court also granted interim stay of enforcement of the Bills of demand until the date of decision.

The High Court subsequently postponed the date for decision on the matter from 25 May 2018 to 29 June 2018.

On 29 June 2018, the decision of the High Court was not to grant an application for judicial review to SMSB. On 2 July 2018, SMSB filed an appeal to the Court of Appeal against the High Court's decision of not granting an application for judicial review. Simultaneously, SMSB also filed a formal application to stay the effect and enforcement of the bills of demand raised on SMSB for import and excise duties.

On 28 August 2018, the High Court granted interim stay pending the disposal of the stay application, which was to be heard on 5 October 2018 before a new Judge. The hearing date has since been postponed from 4 December 2018 to 17 January 2019.

In addition, SMSB also filed a Notice of Motion before the Court of Appeal to stay the effect and enforcement of the said notices of additional assessment pending the appeal on stay before the Court of Appeal. The hearing date of the Court of Appeal has been fixed on 6 March 2019.

On 12 December 2017, SMSB had appealed to the Director-General in respect of the sales tax pursuant to Section 68 of the Sales Tax Act and had submitted an application

to the Director-General in respect of GST pursuant to Section 124 of the GST Act. To-date, the matter is still pending a decision from the Director-General.

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 so when SMSB's duty free shop is located after the last customs station en-route out of Malaysia and before the first customs station en-route into Malaysia, where no duties, sales tax and/or GST are payable.

The Company will make further announcement(s) if there is any material update on the above said matter.

- (iii) On 9 July 2018, the Company announced that it had entered into a conditional subscription agreement ("Agreement") with Mr. Robert Justin Frizelle and Meridian Compass Ltd ("Founders"), and Brand Connect Holding Pte Ltd ("Brand Connect") pursuant to which the Company shall subscribe for 2,800,000 new ordinary shares in the capital of Brand Connect ("Subscription Shares") (the "Proposed Subscription").

On 8 August 2018, the Acquisition was completed. The Company subscribed 2,800,000 new ordinary shares in the Capital of Brand Connect Holding Pte. Ltd. at the consideration of US\$2,800,000 following the satisfaction of the conditions precedent to the Agreement ("Acquisition"). Following the completion of the Acquisition, Brand Connect Holding Pte. Ltd. became a 70% owned subsidiary of the Company.

Brand Connect group of companies is engaged in the business of marketing and the trading, wholesale and retail distribution of alcohol and other beverage products across countries in the Asia Pacific region. The acquisition of Brand Connect group of companies by the Company is to develop and grow the Group's alcohol distribution business as well as to expand the Group's market operations beyond the current sales channels in the duty free market of Malaysia to include the duty paid market across South East Asia.

The fair value of assets acquired and liabilities assumed and purchase consideration have been determined on a provisional basis pending completion of purchase price allocation ("PPA") exercise. The PPA exercise is expected to be completed not exceeding one year from 8 August 2018, being the date of acquisition. Provisional goodwill of RM0.6 million has been recorded in the statement of financial position of the group at 30 November 2018. Accordingly, the fair value of assets and liabilities of Brand Connect will be adjusted accordingly on a retrospective basis upon finalisation of PPA exercise.

The consolidated financial information reflects the following:

Consolidated statement of financial position

- (a) The assets and liabilities of the Brand Connect Group as at 30 November 2018 were recognised and measured in the consolidated statement of financial position at their carrying amounts after the restructuring exercise;
- (b) The assets and liabilities of the Brand Connect Group on acquisition date were recognised and measured in the consolidated statement of financial position at their acquisition date fair values as provisionally determined by the management;
- (c) The comparative figures as at 28 February 2018 presented in the consolidated statement of financial position relate to the Duty Free International Limited (“DFIL”) Group;
- (d) The retained earnings of the Group as at 30 November 2018 included that of the DFIL Group at their carrying amounts and the post-acquisition reserves of the Brand Connect Group.

Consolidated statement of profit and loss and other comprehensive income

- (a) The consolidated statement of profit or loss and other comprehensive income for the period from 1 March 2018 to 30 November 2018 (“9MFY2019), reflect that of DFIL Group and the post-acquisition results of Brand Connect Group;
- (b) The comparative figures for the period from 1 March 2017 to 30 November 2017 (“9MFY2018) presented in the consolidated statement of profit or loss and other comprehensive income were that of DFIL Group.

On 19 December 2018, the Company announced that Brand Connect Group has incorporated a wholly-owned subsidiary in Singapore, named Thirsty Boys Pte Ltd, with an issued share capital of USD2.00. It’s intended principal activities is wholesales of liquor, soft drinks and beverages.

11 Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Name of dividend	Second Interim
Dividend type	Cash
Dividend amount per share	S\$0.01 per share
Tax rate	One tier exempt
Date payable	7 March 2019
Book closure date	12 February 2019

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Name of dividend	Third Interim
Dividend type	Cash
Dividend amount per share	S\$0.01 per share
Tax rate	One tier exempt
Date payable	6 March 2018
Book closure date	8 February 2018

(c) Date payable

Please refer to Paragraph 11(a).

(d) Book closure date

Please refer to Paragraph 11(a).

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 Interested Person Transactions

Interested Persons	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))	Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920(1)(a) (excluding transactions below S\$100,000)
	RM'000	RM'000
Atlan Holdings Bhd	1,500	- (Note 1)

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

14 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.

As at the date of this announcement, following the abovementioned utilisation, approximately S\$37.52 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.

15 Significant related party transactions

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

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

	Group		Group	
	Third quarter ended 30 November		Nine months ended 30 November	
	2018	2017	2018	2017
	RM'000	RM'000	RM'000	RM'000
Related company:				
- Management fee	500	500	1,500	1,500
Related parties:				
- Donation to Yayasan Harmoni	-	-	3,000	-
- Purchases from Heinemann Asia Pacific Pte. Ltd. ("HAP")	91,411	75,849	175,880	178,784
- Management fee paid/payable to HAP	619	416	661	1,498
- Ad-space rental received/receivable from HAP	417	433	1,292	1,629
- Reimbursement of costs from HAP	1,163	1,639	3,278	3,883

16 Confirmation by the board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to the attention of the Board of Directors which may render the interim financial results for the third quarter ended 30 November 2018 to be false or misleading in any material aspect.

17 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.

BY ORDER OF THE BOARD

Lee Sze Siang
Executive Director
9 January 2019