

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 2020**

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		
		2020	2019	Increase/ (Decrease)	2020	2019	Increase/ (Decrease)
		(Unaudited) RM '000	(Unaudited) RM '000	%	(Unaudited) RM '000	(Unaudited) RM '000	%
Revenue		44,311	197,178	-77.5%	148,323	447,528	-66.9%
Changes in inventories		(8,983)	12,973	-169.2%	(39,108)	(18,884)	107.1%
Inventories purchased and material consumed		(28,207)	(169,843)	-83.4%	(85,515)	(314,660)	-72.8%
Other operating income	1(a)(ii)	2,047	4,879	-58.0%	8,215	13,656	-39.8%
Employee benefits expenses		(3,517)	(9,557)	-63.2%	(18,302)	(29,524)	-38.0%
Rental of premises		2,299	(7,465)	-130.8%	(6,601)	(24,407)	-73.0%
Utilities and maintenance expenses		(608)	(1,212)	-49.8%	(1,738)	(4,126)	-57.9%
Depreciation and amortisation		(3,333)	(3,828)	-12.9%	(10,302)	(11,098)	-7.2%
Commission expenses		(18)	(525)	-96.6%	(112)	(1,392)	-92.0%
Professional fees		(736)	(767)	-4.0%	(1,178)	(2,820)	-58.2%
Promotional expenses		(105)	(362)	-71.0%	(699)	(1,055)	-33.7%
Finance costs		(1,507)	(1,649)	-8.7%	(4,697)	(5,094)	-7.8%
Impairment of goodwill		(2,824)	-	n.m	(2,824)	-	n.m
Realised foreign exchange gain/(loss)		599	192	212.0%	(633)	237	-367.1%
Unrealised foreign exchange (loss)/gain		(1,275)	(1,265)	0.8%	1,304	2,742	-52.4%
Other operating expenses	1(a)(iii)	(7,205)	(6,608)	9.0%	(14,067)	(19,061)	-26.2%
(Loss)/profit before income tax		(9,062)	12,141	-174.6%	(27,934)	32,042	-187.2%
Income tax expenses	1(a)(iv)	(5,960)	(2,594)	129.8%	(6,523)	(9,321)	-30.0%
(Loss)/profit for the period		(15,022)	9,547	-257.2%	(34,457)	22,721	-251.7%
(Loss)/profit attributable to:							
Owners of the Company		(13,989)	7,917	-276.7%	(29,938)	20,012	-249.6%
Non-controlling interests		(1,033)	1,630	-163.4%	(4,519)	2,709	-266.8%
		(15,022)	9,547	-257.2%	(34,457)	22,721	-251.7%

n.m - denotes not meaningful

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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		Increase/ (Decrease)	Nine months ended		Increase/ (Decrease)
	2020	2019		2020	2019	
(Unaudited)	(Unaudited)	(Decrease)	(Unaudited)	(Unaudited)	(Decrease)	
	RM '000	RM '000	%	RM '000	RM '000	%
(Loss)/profit for the period	(15,022)	9,547	-257.3%	(34,457)	22,721	-251.7%
Other comprehensive (loss)/income:						
Foreign currency translation	(239)	(21)	1038.1%	(128)	157	-181.5%
Total comprehensive (loss)/income for the period	(15,261)	9,526	-260.2%	(34,585)	22,878	-251.2%
Total comprehensive (loss)/income attributable to:						
Owners of the Company	(14,168)	7,903	-279.3%	(30,132)	20,164	-249.4%
Non-controlling interests	(1,094)	1,623	-167.4%	(4,453)	2,714	-264.0%
	(15,261)	9,526	-260.2%	(34,585)	22,878	-251.2%

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

1(a)(ii) Other operating income

Other operating income includes:-

	Group Third quarter ended 30 November			Group Nine months ended 30 November		
	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %
Rental income from:						
- advertisement space	27	721	-96.3%	528	2,280	-76.8%
- property, plant and equipment	80	124	-35.5%	218	375	-41.9%
Commission income	2	11	-81.8%	11	37	-70.3%
Incentive income	119	44	170.5%	182	125	45.6%
Interest income	1,105	2,815	-60.7%	4,230	8,372	-49.5%
Gain on disposal of property, plant and equipment	1	4	-75.0%	11	32	-65.6%
Promotion income	77	798	-90.4%	353	1,178	-70.0%
Sundry income	404	204	98.0%	2,067	919	124.9%

1(a)(iii) Other operating expenses

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

	Group Third quarter ended 30 November			Group Nine months ended 30 November		
	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %
Assessment and quit rent	254	211	20.4%	741	758	-2.2%
Impairment loss on receivables	-	-	-	627	-	n.m
Auditors' remuneration	217	444	-51.1%	697	936	-25.5%
Bad debts written off	8	-	n.m	13	-	n.m
Bank charges	362	413	-12.3%	1,216	1,238	-1.8%
Donations	-	69	-100.0%	750	1,096	-31.6%
Insurance	123	371	-66.8%	743	1,132	-34.4%
Inventories written down	3,690	12	30650.0%	2,479	556	345.7%
Inventory written off	28	208	-86.5%	113	644	-82.5%
(Gain)/Loss arising from changes in fair value of biological assets	(24)	(24)	0.0%	(22)	6	-466.7%
Management fee	159	1,107	-85.6%	1,617	2,107	-23.3%
Packing materials	43	183	-76.5%	103	566	-81.8%
Property, plant and equipment written off	-	-	-	84	809	-89.6%
Transportation costs	266	692	-61.5%	835	2,032	-58.9%
Travelling expenses	77	432	-82.2%	251	1,229	-79.6%

n.m - denotes not meaningful

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

1(a)(iv) Income tax expenses

	Group Third quarter ended 30 November			Group Nine months ended 30 November		
	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %	2020 (Unaudited) RM '000	2019 (Unaudited) RM '000	Increase/ (Decrease) %
Current income tax attributable to continuing operations						
- current income tax	943	3,260	-71.1%	1,466	8,605	-83.0%
- under/(over) provision in respect of previous years	5,023	(1,723)	-391.5%	4,977	(1,731)	-387.5%
	5,966	1,537	288.2%	6,443	6,874	-6.3%
Deferred income tax attributable to continuing operations						
Real property gain tax	(6)	197	-103.1%	80	1,587	-95.0%
	-	860	-100.0%	-	860	-100.0%
Income tax expense recognised in profit or loss	5,960	2,594	129.8%	6,523	9,321	-30.0%

n.m - denotes not meaningful

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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

	Note	Group		Company	
		30.11.2020 (Unaudited) RM '000	29.02.2020 (Audited) RM '000	30.11.2020 (Unaudited) RM '000	29.02.2020 (Audited) RM '000
Assets					
Non-current assets					
Property, plant and equipment		60,129	64,099	-	-
Goodwill		14,468	17,292	-	-
Investment in subsidiaries		-	-	839,666	839,666
Intangible assets		206	339	-	-
Deferred tax assets		4,757	4,861	-	-
Right-of-use assets		121,384	128,630	-	-
		<u>200,944</u>	<u>215,221</u>	<u>839,666</u>	<u>839,666</u>
Current assets					
Biological assets	1(b)(iv)	48	26	-	-
Inventories		96,695	133,406	-	-
Tax recoverable		4,664	1,861	-	-
Trade and other receivables	1(b)(v)	60,846	81,966	127	262
Prepayments		3,140	2,754	-	-
Cash and bank balances		193,342	334,648	122,714	251,957
		<u>358,735</u>	<u>554,661</u>	<u>122,841</u>	<u>252,219</u>
Total assets		<u>559,679</u>	<u>769,882</u>	<u>962,507</u>	<u>1,091,885</u>
Equity and liabilities					
Current liabilities					
Trade and other payables	1(b)(vi)	53,340	73,640	784	726
Contract liabilities		5,831	8,876	-	-
Borrowings	1(b)(ii) & (iii)	6,127	34,685	-	-
Income tax payable		5,059	2,359	377	349
Derivative liabilities		17	-	-	-
Lease liabilities		1,180	1,765	-	-
		<u>71,554</u>	<u>121,325</u>	<u>1,161</u>	<u>1,075</u>
Net current assets		287,181	433,336	121,680	251,144
Non-current liabilities					
Borrowings	1(b)(ii)	148	306	-	-
Deferred tax liabilities		6,164	6,188	1,655	1,613
Derivative liabilities		222	222	515	515
Lease liabilities		86,197	83,943	-	-
Provision for restoration costs		467	501	-	-
		<u>93,198</u>	<u>91,160</u>	<u>2,170</u>	<u>2,128</u>
Total liabilities		<u>164,752</u>	<u>212,485</u>	<u>3,331</u>	<u>3,203</u>
Net assets		<u>394,927</u>	<u>557,397</u>	<u>959,176</u>	<u>1,088,682</u>
Equity attributable to owners of the Company					
Share capital		487,902	616,752	978,724	1,107,574
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(145,454)	(144,647)	661	661
Retained earnings		61,085	91,023	1,808	2,464
		<u>381,516</u>	<u>541,111</u>	<u>959,176</u>	<u>1,088,682</u>
Non-controlling interests		<u>13,411</u>	<u>16,286</u>	<u>-</u>	<u>-</u>
Total equity		<u>394,927</u>	<u>557,397</u>	<u>959,176</u>	<u>1,088,682</u>
Total equity and liabilities		<u>559,679</u>	<u>769,882</u>	<u>962,507</u>	<u>1,091,885</u>

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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

	30.11.2020		29.02.2020	
	Secured RM '000	Unsecured RM '000	Secured RM '000	Unsecured RM '000
Amount repayable in one year or less or on demand	6,127	-	34,685	-
Amount repayable after one year	148	-	306	-

Details of any collateral

The borrowings are secured by way of:

- deposits with licensed banks amounting to RM9,681,000 (29.02.2019: RM9,465,000); and
- corporate guarantees from the Company and the penultimate holding company.

1(b)(iii) Short term borrowings

	30.11.2020 RM'000	29.02.2020 RM'000
The Group's short term borrowings are for:		
- trade facilities	5,986	34,342
- hire purchases	141	343
	<u>6,127</u>	<u>34,685</u>

1(b)(iv) Biological assets

	30.11.2020 RM'000	29.02.2020 RM'000
At fair value:		
Balance b/f	26	103
Fair value changes	22	(77)
Balance c/f	<u>48</u>	<u>26</u>

1(b)(v) Trade and other receivables

	Group	
	30.11.2020 RM'000	29.02.2020 RM'000
Trade receivables, net	2,314	19,407
Deposits	5,709	5,933
Sundry receivables, net:		
- amount due from Berjaya Waterfront Sdn Bhd (refer to page 8 of this report)	40,452	40,443
- others	12,371	16,183
	<u>60,846</u>	<u>81,966</u>

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

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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

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 29 February 2020 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 8 April 2020, BWSB requested for a further deferment of the unpaid consideration of RM40.0 million to be paid on or before 15 April 2021 and the interest portion which was due on 15 April 2020 to be paid on or before 15 July 2020. Thereafter, BWSB will 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)(vi) Trade and other payables

	Group	
	30.11.2020 RM'000	29.02.2020 RM'000
Trade payables	36,105	48,720
Other payables	16,675	24,360
Deposit received for the KMSB Agreement	560	560
	<hr/>	<hr/>
	53,340	73,640

	Company	
	30.11.2020 RM'000	29.02.2020 RM'000
Sundry payables, net:		
- others	784	726
	<hr/>	<hr/>

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM OPERATING ACTIVITIES				
(Loss)/profit before tax	(9,062)	12,141	(27,934)	32,042
Adjustments for:-				
Impairment loss on receivables	-	-	627	-
Bad debts written off	8	-	13	-
Depreciation and amortisation	3,333	3,828	10,302	11,098
Gain on disposal of property, plant and equipment	(1)	(4)	(11)	(32)
(Gain)/loss arising from changes in fair values of biological assets	(24)	(24)	(22)	6
Finance costs	1,507	1,649	4,697	5,094
Interest income	(1,105)	(2,815)	(4,230)	(8,372)
Inventories written down	3,690	12	2,479	556
Inventory written off	28	208	113	644
Impairment of goodwill	2,824	-	2,824	-
Property, plant and equipment written off	-	-	84	809
Net unrealised foreign exchange loss/(gain)	1,275	1,265	(1,304)	(2,742)
Operating cash flows before changes in working capital	2,473	16,260	(12,362)	39,103
Decrease/(increase) in receivables	9,466	(14,586)	20,395	(12,314)
Increase in prepayments	(525)	(2,882)	(386)	(202)
Decrease/(increase) in inventories	8,983	(12,973)	34,119	18,884
(Decrease)/increase in payables	(8,235)	78,586	(21,031)	27,882
Cash generated from operations	12,162	64,405	20,735	73,353
Tax paid	(2,260)	(2,337)	(6,546)	(8,214)
Interest paid	(73)	(426)	(470)	(1,144)
Net cash generated from operating activities	9,829	61,642	13,719	63,995
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest received	1,105	2,815	4,230	8,372
Proceeds from debt securities	-	-	-	30,000
Proceeds from disposal of property, plant and equipment	1	4	118	33
Purchase of property, plant and equipment and land use rights	(31)	(1,683)	(197)	(3,096)
Net cash generated from investing activities	1,075	1,136	4,151	35,309

DUTY FREE INTERNATIONAL LIMITED

(Company Registration No. 200102393E)

(Incorporated in the Republic of Singapore)

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	
	2020	2019	2020	2019
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
	RM '000	RM '000	RM '000	RM '000
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase in pledged fixed deposits	(162)	(94)	(216)	(218)
Payment of principal portion of lease liability	(388)	4,519	(1,442)	(1,353)
(Repayment of)/proceeds from short term borrowings	(8,065)	(1,686)	(28,354)	8,873
Repayment of hire purchase and lease financing	(81)	(115)	(360)	(355)
Purchase of treasury shares	-	(1,944)	-	(5,514)
Dividends paid to the ordinary shareholders of the Company	-	(18,392)	-	(54,869)
Dividends paid to non-controlling interests of subsidiaries	-	-	-	(4,695)
Capital repayment	-	-	(128,850)	-
Net cash used in financing activities	<u>(8,696)</u>	<u>(17,712)</u>	<u>(159,222)</u>	<u>(58,131)</u>
Net increase/(decrease) in cash and cash equivalents	2,208	45,066	(141,352)	41,173
Effects of foreign exchange rate changes	(1,347)	(1,044)	(170)	3,614
Cash and cash equivalents at beginning of period/year	182,800	297,189	325,183	296,424
Cash and cash equivalents at end of period/year	<u>183,661</u>	<u>341,211</u>	<u>183,661</u>	<u>341,211</u>
Cash and cash equivalents carried forward consists of :-				
Deposits with licenced banks	153,518	228,829	153,518	228,829
Less : Pledged deposits	(9,681)	(9,411)	(9,681)	(9,411)
	<u>143,837</u>	<u>219,418</u>	<u>143,837</u>	<u>219,418</u>
Cash and bank balances	39,824	121,793	39,824	121,793
	<u>183,661</u>	<u>341,211</u>	<u>183,661</u>	<u>341,211</u>

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)

	←←←←← ATTRIBUTABLE TO OWNERS OF THE COMPANY →→→→→										
				←←←←← Non-distributable →→→→→				Distributable			
	Ordinary shares	Treasury shares	Total other reserves	Foreign exchange reserve	Net premium paid/ received on transactions with non-controlling interests	Gain on reissuance of treasury shares	Capital reserve	Retained earnings	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
GROUP (Cont'd)											
At 1 March 2019	616,752	(16,503)	(144,433)	(123)	(142,413)	661	(2,558)	98,636	554,452	14,847	569,299
Profit, net of tax	-	-	-	-	-	-	-	20,012	20,012	2,709	22,721
Foreign currency translation	-	-	152	152	-	-	-	-	152	5	157
Total comprehensive income for the period	-	-	-	-	-	-	-	-	-	-	-
	-	-	152	152	-	-	-	20,012	20,164	2,714	22,878
Transactions with owners:											
Purchase of treasury shares	-	(5,514)	-	-	-	-	-	-	(5,514)	-	(5,514)
Dividend on ordinary shares	-	-	-	-	-	-	-	(18,493)	(18,493)	-	(18,493)
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	-	(5,514)	-	-	-	-	-	(18,493)	(24,007)	-	(24,007)
Transactions with non-controlling interests:											
Transfer to reserves	-	-	(338)	-	-	-	(338)	-	(338)	255	(83)
At 30 November 2019	616,752	(22,017)	(144,619)	29	(142,413)	661	(2,896)	100,155	550,271	17,816	568,087

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)

	←←←←← 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	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
GROUP (Cont'd)											
At 1 March 2020	616,752	(22,017)	(144,647)	853	(142,413)	661	(3,748)	91,023	541,111	16,286	557,397
Loss, net of tax	-	-	-	-	-	-	-	(29,938)	(29,938)	(4,519)	(34,457)
Foreign currency translation	-	-	(194)	(194)	-	-	-	-	(194)	66	(128)
Total comprehensive loss for the period	-	-	(194)	(194)	-	-	-	(29,938)	(30,132)	(4,453)	(34,585)
<u>Transactions with owners:</u>											
Capital reduction	(128,850)	-	-	-	-	-	-	-	(128,850)	-	(128,850)
Allotment of new ordinary shares	-	-	-	-	-	-	-	-	-	-	-
Total transactions with owners	(128,850)	-	-	-	-	-	-	-	(128,850)	-	(128,850)
<u>Transactions with non-controlling interests:</u>											
Transfer to reserves	-	-	(293)	-	-	-	(293)	-	(293)	293	-
Effect of changes in shareholdings	-	-	(320)	-	(320)	-	-	-	(320)	1,285	965
Total transactions with non-controlling interests	-	-	(612)	-	(320)	-	(293)	-	(613)	1,578	965
At 30 November 2020	487,902	(22,017)	(145,454)	659	(142,733)	661	(4,041)	61,085	381,516	13,411	394,927

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 2019	1,107,574	(16,503)	661	(640)	1,091,092
Profit, net of tax	-	-	-	20,470	20,470
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	20,470	20,470
Transactions with owners:					
Purchase of treasury shares	-	(5,514)	-	-	(5,514)
Allotment of new ordinary shares	-	-	-	-	-
Share issuance expenses	-	-	-	-	-
Dividend	-	-	-	(18,493)	(18,493)
	-	(5,514)	-	(18,493)	(24,007)
At 30 November 2019	1,107,574	(22,017)	661	1,337	1,087,555

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	Retained earnings RM'000	Total equity RM'000
<u>COMPANY (Cont'd)</u>					
At 1 March 2020	1,107,574	(22,017)	661	2,464	1,088,682
Profit, net of tax	-	-	-	(656)	(656)
Other comprehensive income for the period	-	-	-	-	-
Total comprehensive income for the period	-	-	-	(656)	(656)
<u>Transactions with owners:</u>					
Purchase of treasury shares	-	-	-	-	-
Capital reduction	(128,850)	-	-	-	(128,850)
Allotment of new ordinary shares	-	-	-	-	-
Dividend on ordinary shares	-	-	-	-	-
	(128,850)	-	-	-	(128,850)
At 30 November 2020	978,724	(22,017)	661	1,808	959,176

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 2020 and 30 November 2020	1,198,199	978,724

Outstanding Convertible Securities

	Company	
	As at 30 November 2020	As at 30 November 2019
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)	1,198,199	1,198,199
As a percentage of total ordinary shares issued (%)	41.0	41.0

Total treasury shares as at 30 November 2020 was 30,999,300 (30 November 2019: 30,999,300).

As at the date of this announcement, the Company's issued and paid-up share capital comprises 1,198,199,093 ordinary shares, excluding treasury shares and Company has 491,400,042 outstanding convertible warrants each with initial exercise price of S\$0.43 expiring 13 May 2022. On 6 March 2020, notice has been given to the warrant holders of the Company in relation to the adjustment of exercise price of the Warrants from S\$0.43 to S\$0.33 pursuant to the terms and conditions of the Warrants as set out in the deed poll dated 2

May 2017 and the supplemental deed poll dated 27 November 2019, in the event that the company makes a distribution in cash or specie, the exercise price of the warrants shall be adjusted. The adjustments to the revised exercise price of the Warrants of S\$0.33 came into effect from 6 May 2020.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 30 November 2020.

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 2020 was 1,198,199,093 (29 February 2020: 1,198,199,093). Total treasury shares as at 30 November 2020 was 30,999,300 (29 February 2020: 30,999,300).

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 2020 (“3Q FY2021”), there were no sales, transfers, disposals and cancellation and/or use of treasury shares.

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

Except as disclosed in Paragraph 5 below, 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 29 February 2020.

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 2020, the Group and the Company adopted the new or amended Singapore Financial Reporting Standards ("FRSs") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

The application of these new or amended FRSs 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.

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		Nine months ended	
	30 November		30 November	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
(Loss)/Profit for the period, net of tax attributable to owners of the Company	(13,989)	7,917	(29,938)	20,012
Weighted average number of ordinary shares for basic earnings per share computation ('000)	1,198,199	1,199,504	1,198,199	1,202,763
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	1,198,199	1,199,504	1,198,199	1,202,763
(Loss)/Earnings per ordinary share from continuing operations attributable to owners of the Company (RM sen):				
(a) Basic	(1.17)	0.66	(2.50)	1.66
(b) Fully diluted	(1.17)	0.66	(2.50)	1.66

For 3Q FY2021, 3Q FY2020, 9M FY2021 and 9M FY2020, 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	As at	As at	As at
	30 November	29 February	30 November	29 February
	2020	2020	2020	2020

Net asset value per ordinary share (RM sen)	31.84	45.16	80.05	90.86
Number of shares used in calculating net asset value per share ('000)	1,198,199	1,198,199	1,198,199	1,198,199

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 2020 ("3Q FY2021") vs Third quarter ended 30 November 2019 ("3Q FY2020")

Revenue

The Group recorded a revenue of RM44.3 million in 3Q FY2021, representing a decrease of 77.5% or RM152.9 million, over the revenue of RM197.2 million in 3Q FY2020. The decrease was mainly due to closure of Group's retail outlets in Malaysia since 18 March 2020 following the imposition of the nationwide Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") by Malaysia Government to curb the outbreak of Covid-19 in Malaysia. The CMCO was since followed by the Recovery Movement Control Order ("RMCO") which took effect from 10 June 2020 and is scheduled to end on 31 March 2021. Furthermore, due to the rise of positive Covid-19 cases in certain localities in Malaysia since early October 2020, the imposition of CMCO by Malaysian Government had resumed in those hard hit locations. Similar to the previous quarter, only certain outlets in the Group were in operations, with strict compliance to the Standard Operating Procedures ("SOPs") in the current quarter under review. The outlets that were in operations experienced an overall decline in sales due to subdued consumer demand. The Group's retail outlets at the Malaysia-Thailand border and airport outlets are still closed at the date of this announcement. Consequently, the Group experienced a significant reduction in revenue in the current quarter.

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 FY2021, the value of the closing inventories was lower than the value of the opening inventories by RM9.0 million. In 3Q

FY2020, the value of the closing inventories was higher by RM13.0 million. This resulted in a variance of RM22.0 million for 3Q FY2021 vis-à-vis 3Q FY2020, which was mainly due to lower purchases as compared with the corresponding quarter of the previous financial year.

Inventories purchased and material consumed

Inventories purchased and material consumed decreased by 83.4% or RM141.6 million, from RM169.8 million in 3Q FY2020 to RM28.2 million in 3Q FY2021. This was mainly due to lower purchases and consumption of inventories in the current quarter due to subdued consumer demand following the nationwide controlled movements in Malaysia since 18 March 2020.

Other operating income

Other operating income decreased by RM2.9 million from RM4.9 million in 3Q FY2020 to RM2.0 million in 3Q FY2021 mainly due to a decrease in interest income of RM1.7 million coupled with a decrease in rental income from advertisement space amounting to RM0.7 million and a decrease in promotion income of RM0.7 million but partially offset by higher sundry income of RM0.2 million.

Employee benefits expenses

Employee benefits expenses decreased by 63.2% or RM6.1 million, from RM9.6 million in 3Q FY2020 to RM3.5 million in 3Q FY2021, mainly resulted from the cost cutting measures undertaken by the Group in reducing human resource costs, such as downsizing of manpower and salary reduction of all employees across the Group.

Rental of premises

The rental of premises expenses showed a decrease of 130.8% or RM9.8 million from RM7.5 million in 3Q FY2020 to a positive amount of RM2.3 million in 3Q FY2021. The reduction in rental expenses was mainly due to one off rental rebate from landlord amounting to RM6.4 million for the period from July 2020 until November 2020. In addition, lower rental expenses incurred in the current quarter was also due to the non-renewal of tenancy of certain retail outlets in Kuala Lumpur International Airport 2 and Penang International Airport which resulted in considerable savings in the quarter under review.

Utilities and maintenance expenses

Utilities and maintenance expenses recorded a decrease of RM0.6 million or 49.8%, from RM1.2 million in 3Q FY2020 to RM0.6 million in 3Q FY2021 mainly due to a reduction in utilities expenses of RM0.5 million as a result of non-operations of the Group's certain retail outlets at Malaysia-Thailand border and airport outlets since 18 March 2020 following the imposition of the nationwide MCO, CMCO and RMCO by Malaysia Government.

Impairment of goodwill

The management of the Company had carried out a review of the recoverable amount of its goodwill. The review has led to the recognition of impairment loss on goodwill of RM2.8 million in the reporting quarter.

Other operating expenses

The Group incurred higher other operating expenses in 3Q FY2021 by RM0.6 million as compared to RM6.6 million in 3Q FY2020, mainly attributable to the inventories written down of RM3.7 million. However, the negative effects was partially offset by decreases in management fee of RM0.9 million, travelling expenses by RM0.3 million and insurance expenses by RM0.2 million. Higher inventories written down was mainly due to short shelf life/poorer saleability of certain products following substantial reduction in consumer demand due to Covid-19. In addition, packing materials and transportation costs also reduced as a result of the non-operations of majority of the duty free retail outlets during the period under review.

The rest of the expenses on the Group's income account remained largely unchanged in 3Q FY2021 as compared to 3Q FY2020.

(Loss)/profit before income tax

The Group reported a loss before income tax of RM9.1 million for 3Q FY2021, which was 174.6% or RM21.2 million lower than the profit before income tax of RM12.1 million recorded in 3Q FY2020. The Group's business operations and performance had been adversely affected by the non-operations of outlets at affected locations and decreased in revenue from outlets that remained open for reasons as mentioned above. As a result, the Group recorded significant reduction in gross profit which was insufficient to offset the fixed costs, such as rental expenses and payroll related expenses of the Group. Consequently, the Group incurred a pre-tax loss in the current quarter under review. In addition, the adverse impact were also affected by one-off non-cash items of impairment of goodwill of RM2.8 million and an increase in inventories written down of RM3.7 million as mentioned above.

Nine months ended 30 November 2020 ("9M FY2021") vs Nine months ended 30 November 2019 ("9M FY2020")

The Group recorded revenue for 9M FY2021 of RM148.3 million, representing a decrease of 66.9% or RM299.2 million, over the revenue of RM447.5 million in 9M FY2020.

The Group reported a loss before income tax of RM27.9 million for 9M FY2021, representing a decrease of 187.2% or RM59.9 million as compared to profit before income tax of RM32.0 million recorded in 9M FY2020. The decrease in profit was mainly due to lower revenue and hence lower gross profit as mentioned above, lower net gain in foreign currency of RM2.3 million, lower other operating income of RM5.5 million, higher inventories written down of RM1.9 million and recognition of impairment of goodwill amounting to RM2.8 million. However, the negative effect was partially offset by lower selling and marketing expenses of RM1.7 million, lower employee benefits expenses of RM11.2 million and lower rental of premises of RM17.8 million.

Statement of Financial Position

Assets

Trade and other receivables

Trade receivables decreased by RM17.1 million, from RM19.4 million as at 29 February 2020 to RM2.3 million as at 30 November 2020, which was mainly due to timing differences in trade-related collections. There were also decreases in sundry receivables by RM3.8 million from RM16.2 million as at 29 February 2020 to RM12.4 million as at 30 November 2020.

Inventories

Inventories decreased by RM36.7 million, from RM133.4 million as at 29 February 2020 to RM96.7 million as at 30 November 2020, mainly due to decrease of purchases during the period as a result of the non-operations of majority of the retail outlets since 18 March 2020 following the imposition of nation-wide movement controls by Malaysia government.

Cash and bank balances

Cash and bank balances decreased by RM141.3 million, from RM334.6 million as at 29 February 2020 to RM193.3 million as at 30 November 2020, mainly due to capital repayment of RM128.9 million to the shareholders of the Company on 13 May 2020.

Other than the assets mentioned above, the rest of the asset items on the Group's statement of financial position remained largely unchanged as at 30 November 2020 vis-à-vis 29 February 2020.

Liabilities

Trade and other payables

The decrease in trade and other payables was mainly due to a decrease in trade payables by RM12.6 million, from RM48.7 million as at 29 February 2020 to RM36.1 million as at 30 November 2020. Other payables decreased by RM7.7 million from RM24.4 million as at 29 February 2020 to RM16.7 million as at 30 November 2020. The aforesaid decrease in trade payables was due to timing differences in the payment of the payables.

Borrowings

Total borrowings decreased by RM28.7 million, from RM35.0 million as at 29 February 2020 to RM6.3 million as at 30 November 2020, mainly due to decrease in trade facilities utilisation of RM28.3 million.

Non-current liabilities

Derivative liabilities – non-current

Derivative financial liabilities of RM0.2 million as at 30 November 2020 was mainly due to the fair value of call options and put options issued in relation to the remaining 22% stake in the Brand Connect Holding Pte. Ltd. (“BCH”).

As at 30 November 2020, the Group was in a positive working capital position of RM287.0 million.

Equity

Total equity decreased by RM162.5 million, from RM557.4 million as at 29 February 2020 to RM394.9 million as at 30 November 2020, mainly due to capital repayment of RM128.9 million, and loss after the comprehensive income for the period of RM34.6 million, partially offset by the effect of changes in shareholdings of RM1.0 million arising from the increased shareholdings in BCH in May 2020.

Statement of Cash Flows

The Group net cash flow generated from operating activities was RM9.8 million in 3Q FY2021. Net cash generated from investing activities was RM1.1 million for 3Q FY2021, mainly due to interest received of RM1.1 million. Net cash used in financing activities for 3Q FY2021 of RM8.7 million was mainly due to repayment of short-term borrowing of RM8.1 million and payment of principal portion of lease liability of RM0.4 million. Overall, the cash and cash equivalents of the Group increased by RM2.2 million in 3Q FY2021, with cash and cash equivalents of RM183.7 million as at 30 November 2020.

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) With the global outbreak of Covid-19 pandemic from the beginning of year 2020 coupled with the imposition of the MCO, CMCO and RMCO by the Malaysian Government since 18 March 2020, the business environment in which the Group operates has been trying and challenging and will remain so in the near term.

As at the date of this announcement, the Group’s retail outlets at the Malaysia-Thailand border and airport outlets remain closed, and the timing when the outlets can be re-opened is still uncertain. Amid the current global challenging economic

environment of border closures, travel restrictions, and consumers' cautious spending, the Group's financial performance has been adversely affected and will continue to be affected by the same for the next twelve months.

The Group is actively pursuing measures to manage operating costs and revising business plans to mitigate further negative impact arising from the Covid-19 pandemic. A series of cost cutting measures had been carried out on the Group's operating overheads and fixed costs which included putting in place cost-containment measures such as downsizing of manpower, closure of non-profitable outlets, deferral of all discretionary expenses and non-critical capital expenditures, and at the same time ensuring SOPs are being complied throughout the Group.

- (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 ("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. SMSB commenced judicial review proceedings to challenge the bills of demand on the premise that the bills were erroneously raised by the Customs.

The said bills of demand were raised by the Customs who alleged that SMSB did not comply with certain conditions of a duty-free shop located at the border.

On 29 June 2018, the High Court ruled against 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 6 March 2019, the Court of Appeal heard the appeal whereby both SMSB and the Customs submitted their respective legal arguments. The Court of Appeal then instructed parties to file additional supplementary submission which SMSB had complied.

On 18 June 2020, the Court of Appeal unanimously ruled in favour of SMSB's appeal against the decision of the High Court and quashed the bills of demand issued by the Customs for customs duties and excise duties amounting to RM15,400,962.14 and RM23,560,972.94 respectively.

On 17 July 2020, the Customs applied to the Federal Court for leave to appeal against the Court of Appeal's decision. The Federal Court heard and dismissed the Customs' application on 11 January 2021 with costs.

Accordingly, the disputed bills of demand are set aside and SMSB has no obligation to pay the Customs the sum of RM41,594,986.86 as demanded by the Customs. In light of the Federal Court's ruling in favour of SMSB, an application will be made to the Customs for the refund of the sales tax and GST paid amounting to RM2,326,451.78, which was previously paid by SMSB to the Customs.

11 Dividend

(a) Current Financial Period 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.

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

No dividend has been declared or recommended by the Board as the Group reported a loss for the financial period ended 30 November 2020.

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	900	- (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		Nine months ended	
	30 November		30 November	
	2020	2019	2020	2019
	RM'000	RM'000	RM'000	RM'000
Related company:				
- Management fee	(100)	500	900	1,500
Related parties:				
- Donation to Yayasan Harmoni	-	-	750	1,000
- Purchases from Heinemann Asia Pacific Pte. Ltd. ("HAP")	24,679	111,806	55,222	171,400
- Management fee paid/payable to HAP	259	607	717	607
- Ad-space rental received/receivable from HAP	-	435	71	1,445
- Reimbursement of costs from HAP	595	844	2,694	2,920

16 Changes in the composition of the Group

There was no change in the composition of the Group during the current financial quarter under review.

17 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 2020 to be false or misleading in any material aspect.

18 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
13 January 2021