

# Duty Free International Limited

(Company Registration No. 200102393E)

Condensed Interim Financial Statements  
For the three months ended 31 May 2021

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**1(a)(i) Condensed Interim Consolidated Statement of Profit or Loss**

	Note	Group 3 months ended 31 May		Increase / (Decrease) %
		2021 (Unaudited) RM'000	2020 (Unaudited) RM'000	
Revenue	5.1	33,447	43,227	-22.6%
Changes in inventories		(9,636)	(3,085)	212.4%
Inventories purchased and materials consumed		(17,141)	(32,857)	-47.8%
Other income	7.1(a)	2,066	3,900	-47.0%
Employee benefits expenses		(3,339)	(6,539)	-48.9%
Depreciation of property, plant and equipment		(1,072)	(1,243)	-13.8%
Depreciation of right-of-use assets		(1,905)	(2,240)	-15.0%
Amortisation of intangible assets		(44)	(44)	0.0%
Rental of premises		(895)	(4,708)	-81.0%
Commission expenses		(8)	(63)	-87.3%
Professional fees		(180)	(300)	-40.0%
Promotional expenses		(20)	(572)	-96.5%
Utilities and maintenance expenses		(401)	(609)	-34.2%
Realised foreign exchange loss		(155)	(849)	-81.7%
Unrealised foreign exchange gain		2,378	4,351	-45.3%
Other operating expenses	7.1(b)	(1,105)	(3,483)	-68.3%
<b>Operating profit</b>		1,990	(5,114)	-138.9%
Finance costs		(1,518)	(1,657)	-8.4%
<b>Profit/(loss) before tax</b>		472	(6,771)	-107.0%
Income tax expense	8	(691)	(381)	81.4%
<b>Loss for the period</b>		(219)	(7,152)	-96.9%
<b>Attributable to:</b>				
Owners of the Company		248	(5,159)	-104.8%
Non-controlling interests		(467)	(1,993)	-76.6%
		(219)	(7,152)	-96.9%
<b>Earnings/(Loss) per share for the period attributable to owners of the Company (sen per share)</b>				
Basic		0.02	(0.43)	
Diluted		0.02	(0.43)	

**1(a)(ii) Condensed Interim Consolidated Statement of Other Comprehensive Income**

	<b>Group</b>		<b>Increase / (Decrease) %</b>
	<b>3 months ended 31 May</b>		
	<b>2021 (Unaudited) RM'000</b>	<b>2020 (Unaudited) RM'000</b>	
Loss for the period	(219)	(7,152)	-96.9%
Other comprehensive income:			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	128	534	-76.0%
Total comprehensive loss for the year	(91)	(6,618)	-98.6%
<b>Attributable to:</b>			
Owners of the Company	367	(4,851)	-107.6%
Non-controlling interests	(458)	(1,767)	-74.1%
Total comprehensive loss for the period	(91)	(6,618)	-98.6%

**1(b) Condensed Interim Statement of Financial Position**

	Note	Group		Company	
		31.05.2021 (Unaudited) RM'000	28.02.2021 (Audited) RM'000	31.05.2021 (Unaudited) RM'000	28.02.2021 (Audited) RM'000
<b>Assets</b>					
<b>Non-current assets</b>					
Property, plant and equipment		57,460	58,530	–	–
Goodwill	11.2	5,818	5,818	–	–
Investments in subsidiaries		–	–	510,340	510,340
Intangible assets	11.1	118	162	–	–
Prepayments	11.3	3,000	3,000	–	–
Deferred tax assets		5,231	5,295	–	–
Right-of-use assets		117,594	119,426	–	–
		189,221	192,231	510,340	510,340
<b>Current assets</b>					
Biological assets		162	100	–	–
Trade and other receivables	6.1	55,207	58,869	127	9
Prepayments		2,880	2,699	–	–
Inventories		64,578	72,691	–	–
Cash and bank balances		213,297	195,015	131,166	122,028
Tax recoverable		4,351	4,289	–	–
		340,475	333,663	131,293	122,037
<b>Total assets</b>		<b>529,696</b>	<b>525,894</b>	<b>641,633</b>	<b>632,377</b>
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Borrowings	13	6,474	6,346	–	–
Trade and other payables	6.2	42,383	38,444	922	1,319
Provision for restoration costs		138	235	–	–
Contract liabilities	5.1	285	210	–	–
Lease liabilities		423	520	–	–
Income tax payable		2,136	3,600	387	383
		51,839	49,355	1,309	1,702
<b>Net current assets</b>		<b>288,636</b>	<b>284,308</b>	<b>129,984</b>	<b>120,335</b>

**1(b) Condensed Interim Statement of Financial Position (cont'd)**

	Note	Group		Company	
		31.05.2021 (Unaudited) RM'000	28.02.2021 (Audited) RM'000	31.05.2021 (Unaudited) RM'000	28.02.2021 (Audited) RM'000
<b>Non-current liabilities</b>					
Deferred tax liabilities		6,244	6,266	1,655	1,655
Derivative liabilities		222	222	515	515
Lease liabilities		88,837	87,386	–	–
Provision for restoration costs		672	672	–	–
Borrowings	13	108	128	–	–
		96,083	94,674	2,170	2,170
<b>Total liabilities</b>		147,922	144,029	3,479	3,872
<b>Net assets</b>		381,774	381,865	638,154	628,505
<b>Equity attributable to owners of the Company</b>					
Share capital	14	487,902	487,902	978,724	978,724
Treasury shares		(22,017)	(22,017)	(22,017)	(22,017)
Other reserves		(145,098)	(145,204)	661	661
Retained earnings/(accumulated losses)		49,493	49,245	(319,214)	(328,863)
		370,280	369,926	638,154	628,505
Non-controlling interests		11,494	11,939	–	–
<b>Total equity</b>		381,774	381,865	638,154	628,505
<b>Total equity and liabilities</b>		529,696	525,894	641,633	632,377

**1(c) Condensed Interim Statements of Changes in Equity**

	Attributable to owners of the Company										
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign currency translation 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
<b>Group</b>											
Opening balance at 1 March 2021	487,902	(22,017)	(145,204)	(139)	(142,893)	661	(2,833)	49,245	369,926	11,939	381,865
Profit/(loss) for the year	–	–	–	–	–	–	–	248	248	(467)	(219)
Other comprehensive income for the period	–	–	119	119	–	–	–	–	119	9	128
Total comprehensive income for the period	–	–	119	119	–	–	–	248	367	(458)	(91)
<u>Transactions with non-controlling interests:</u>											
Transfer to reserves	–	–	(13)	–	–	–	(13)	–	(13)	13	–
Total transactions with non-controlling interests	–	–	(13)	–	–	–	(13)	–	(13)	13	–
<b>Closing balance at 31 May 2021</b>	<b>487,902</b>	<b>(22,017)</b>	<b>(145,098)</b>	<b>(20)</b>	<b>(142,893)</b>	<b>661</b>	<b>(2,846)</b>	<b>49,493</b>	<b>370,280</b>	<b>11,494</b>	<b>381,774</b>

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**1(c) Condensed Interim Statements of Changes in Equity (cont'd)**

	Attributable to owners of the Company										
	Ordinary shares RM'000	Treasury shares RM'000	Total other reserves RM'000	Foreign currency translation 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
<b>Group</b>											
Opening balance 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 for the year	–	–	–	–	–	–	–	(5,159)	(5,159)	(1,993)	(7,152)
Other comprehensive income for the period	–	–	308	308	–	–	–	–	308	226	534
Total comprehensive income for the period	–	–	308	308	–	–	–	(5,159)	(4,851)	(1,767)	(6,618)
<u>Transactions with owners:</u>											
Dividends on ordinary shares	(128,850)	–	–	–	–	–	–	–	(128,850)	–	(128,850)
Total transactions with owners	(128,850)	–	–	–	–	–	–	–	(128,850)	–	(128,850)
<u>Transactions with non-controlling interests:</u>											
Transfer to reserves	–	–	(341)	–	–	–	(341)	–	(341)	341	–
Changes in financial liability	–	–	2,029	–	–	–	2,029	–	2,029	–	2,029
Effect of changes in shareholdings	–	–	(480)	–	(480)	–	–	–	(480)	(741)	(1,221)
Total transactions with non-controlling interests	–	–	1,208	–	(480)	–	1,688	–	1,208	(400)	808
<b>Closing balance at 31 May 2020</b>	<b>487,902</b>	<b>(22,017)</b>	<b>(143,131)</b>	<b>1,161</b>	<b>(142,893)</b>	<b>661</b>	<b>(2,060)</b>	<b>85,864</b>	<b>408,618</b>	<b>14,119</b>	<b>422,737</b>



**1(c) Condensed Interim Statements of Changes in Equity (cont'd)**

<b>Company</b>	<b>Ordinary shares RM'000</b>	<b>Treasury shares RM'000</b>	<b>Others reserve RM'000</b>	<b>Retained earnings/ (accumulated losses) RM'000</b>	<b>Total equity RM'000</b>
Opening balance at 1 March 2021	978,724	(22,017)	661	(328,863)	628,505
Profit for the year	–	–	–	9,649	9,649
Other comprehensive income for the period	–	–	–	–	–
Total comprehensive income for the period	–	–	–	9,649	9,649
<u>Transactions with owners:</u>					
Capital reduction	–	–	–	–	–
Total transactions with owners	–	–	–	–	–
<b>Closing balance at 31 May 2021</b>	<b>978,724</b>	<b>(22,017)</b>	<b>661</b>	<b>(319,214)</b>	<b>638,154</b>

**1(c) Condensed Interim Statements of Changes in Equity (cont'd)**

<b>Company</b>	<b>Ordinary shares RM'000</b>	<b>Treasury shares RM'000</b>	<b>Others reserve RM'000</b>	<b>Retained earnings/ (accumulated losses) RM'000</b>	<b>Total equity RM'000</b>
Opening balance at 1 March 2020	1,107,574	(22,017)	661	2,464	1,088,682
Profit for the year	–	–	–	4,783	4,783
Other comprehensive income for the period	–	–	–	–	–
Total comprehensive income for the period	–	–	–	4,783	4,783
<u>Transactions with owners:</u>					
Capital reduction	(128,850)	–	–	–	(128,850)
Total transactions with owners	(128,850)	–	–	–	(128,850)
<b>Closing balance at 31 May 2020</b>	<b>978,724</b>	<b>(22,017)</b>	<b>661</b>	<b>7,247</b>	<b>964,615</b>

**1(d) Condensed Interim Consolidated Statement of Cash Flows**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>RM'000</b>	<b>RM'000</b>
<b>Cash flows from operating activities</b>		
Profit/(loss) before tax	472	(6,771)
<u>Adjustments for:</u>		
Amortisation of intangible assets	44	44
Depreciation of property, plant and equipment	1,072	1,243
Depreciation of right-of-use assets	1,905	2,240
Impairment loss on receivables	45	298
Finance costs	1,518	1,657
Lease concessions	(21)	–
Gain arising from changes in fair values of biological assets	(62)	(47)
Interest income	(1,139)	(1,967)
Inventories written off	21	67
(Reversal)/provision for Inventories written down	(1,544)	95
Net unrealised foreign exchange gain	(2,378)	(4,351)
Property, plant and equipment written off	–	81
<b>Operating cash flows before changes in working capital</b>	<b>(67)</b>	<b>(7,411)</b>
<u>Changes in working capital</u>		
Decrease in trade and other receivables	3,703	14,108
Increase in prepayments	(181)	(5,557)
Decrease/(increase) in inventories	9,636	(1,121)
Increase in trade and other payables	3,776	6,870
<b>Cash flows from operations</b>	<b>16,867</b>	<b>6,889</b>
Interest paid	(29)	(272)
Income taxes paid	(2,175)	(4,225)
<b>Net cash flows from operating activities</b>	<b>14,663</b>	<b>2,392</b>

**1(d) Condensed Interim Consolidated Statement of Cash Flows (cont'd)**

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	RM'000	RM'000
<b>Cash flows from investing activities</b>		
Interest received	1,139	1,967
Proceeds from disposal of property, plant and equipment	–	7
Purchase of property, plant and equipment	(2)	(77)
<b>Net cash flows generated from investing activities</b>	<b>1,137</b>	<b>1,897</b>
<b>Cash flows from financing activities</b>		
Increase in pledged fixed deposits	–	(54)
Payment of lease liabilities	(188)	(421)
Proceeds from/(repayment of) other short term borrowings	135	(10,114)
Net repayment of obligations under finance leases	(27)	(93)
Capital reduction	–	(128,850)
<b>Net cash used in financing activities</b>	<b>(80)</b>	<b>(139,532)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>15,720</b>	<b>(135,243)</b>
Effects of foreign exchange rate changes	2,562	5,422
Cash and cash equivalents at beginning of the year	185,229	325,183
<b>Cash and cash equivalents at end of period</b>	<b>203,511</b>	<b>195,362</b>
<b>Cash and cash equivalents comprise of:</b>		
Cash and deposits with licensed banks	213,297	204,880
Deposits pledged with licensed banks	(9,786)	(9,518)
<b>Cash and cash equivalents</b>	<b>203,511</b>	<b>195,362</b>

## **2. Corporate information**

Duty Free International Limited (the Company) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The holding company is Atlan Holdings Bhd ("Atlan"). Atlan is a public limited company incorporated in Malaysia and listed on Bursa Malaysia Securities Berhad.

These condensed interim consolidated financial statements for three months ended 31 May 2021 comprise the Company and its subsidiaries (collectively, the Group).

The principal activity of the Company is investment holding. The principal activities of the Group are:

- (a) Retailer, wholesaler and distributor of duty free and non-dutiable merchandise
- (b) Properties management and cultivation of oil palm

## **3. Basis of preparation**

The condensed interim financial statements for the three months ended 31 May 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 28 February 2021.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in Malaysian Ringgit (RM) and all values in the tables are rounded to the nearest thousand (RM'000), except when otherwise indicated.

### **3.1 New and amended standards adopted by the Group**

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended Singapore Financial Reporting Standards (International) ("SFRS(I)") and Interpretations to FRS ("INT FRSs") that are mandatory for application from that date.

The application of these new or amended SFRS(I) 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.

### 3. Basis of preparation (cont'd)

#### 3.2 Use of judgement and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 28 February 2021.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there is no instance of application of judgment which is expected to have a significant impact on the amounts recognised in the Group's condensed interim financial statements for three months period ended 31 May 2021.

#### 4. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### 5. Revenue and segment information

##### 5.1 Revenue

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Sale of goods	32,849	43,060
Parking operations	–	51
Sale of fresh oil palm fruit bunches	598	116
	33,447	43,227
	33,447	43,227
Timing of transfer of goods and services At a point in time	33,447	43,227
	33,447	43,227

**5. Revenue and segment information (cont'd)**

**5.1 Revenue (cont'd)**

Contract liabilities

	<b>Group</b>	
	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000
Contract liabilities	285	210

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers for sale of goods. Contract liabilities are recognised as revenue as the Group performs its obligations under the contract.

**5.2 Segment information**

The operating businesses are organised and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The Group has the following reportable operating segments:

(i) *Trading of duty free goods and non-dutiable merchandise*

This segment includes revenues from sale of goods.

(ii) *Investment holding and others*

This segment includes revenues from the following:

- management fee income; and
- sale of fresh oil palm fruit bunches.

The activities of the Group are carried out mainly in Malaysia and as such, segmental reporting by geographical locations is not presented. The Group has no major customers.

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## 5. Segment and revenue information (cont'd)

### 5.2 Segment information (cont'd)

#### Operating segments

The following table provides an analysis of the Group's revenue, results, assets, liabilities and other information by operating segment:

	Trading of duty free & duty paid goods and non-dutiable merchandise						Notes	Per consolidated financial statements	
	Investment holdings and others		Adjustments and eliminations		3 months ended 31 May			3 months ended 31 May	
	3 months ended 31 May		3 months ended 31 May		3 months ended 31 May			3 months ended 31 May	
	2021	2020	2021	2020	2021	2020		2021	2020
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
<b>Revenue:</b>									
Sales to external customers	32,849	43,111	598	116	–	–	A	33,447	43,227
Inter-segment sales	–	–	7,764	164	(7,764)	(164)		–	–
<b>Total revenue</b>	<b>32,849</b>	<b>43,111</b>	<b>8,362</b>	<b>280</b>	<b>(7,764)</b>	<b>(164)</b>		<b>33,447</b>	<b>43,227</b>
<b>Results:</b>									
Interest income	157	205	982	1,762	–	–		1,139	1,967
Depreciation and amortisation	(2,930)	(3,435)	(357)	(356)	266	264		(3,021)	(3,527)
Financial expense	(1,581)	(1,734)	–	–	63	77		(1,518)	(1,657)
Gain arising from changes in fair values of biological assets	–	–	62	47	–	–		62	47
Other non-cash income/(expense)	1,278	(1,642)	2,423	4,604	–	–	B	3,701	2,962
<b>Segment (loss)/profit</b>	<b>(731)</b>	<b>(10,748)</b>	<b>10,453</b>	<b>5,184</b>	<b>(9,250)</b>	<b>(1,207)</b>	C	<b>472</b>	<b>(6,771)</b>



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**5. Segment and revenue information (cont'd)**

**5.2 Segment information (cont'd)**

**Operating segments (cont'd)**

	Trading of duty free & duty paid goods and non-dutiable merchandise		Investment holdings and others		Adjustments and eliminations		Notes	Per consolidated financial statements	
	31.05.2021	28.02.2021	31.05.2021	28.02.2021	31.05.2021	28.02.2021		31.05.2021	28.02.2021
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000		RM'000	RM'000
<b>Assets</b>									
Additions to non-current assets	2	222	–	–	–	–	D	2	222
Segment assets	293,957	294,960	226,157	221,350	9,582	9,584	E	529,696	525,894
<b>Segment liabilities</b>	130,653	124,744	8,889	9,419	8,380	9,866	F	147,922	144,029

**5. Segment and revenue information (cont'd)**

**5.2 Segment information (cont'd)**

**Operating segments (cont'd)**

**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

- A Inter-segment revenues are eliminated on consolidation.
- B Other material non-cash income/expenses includes impairment loss on receivables, property, plant and equipment written off, reversal/provision for inventories written down, inventories written off and net unrealised foreign exchange gain/loss.
- C The following items were deducted from segment profit to arrive at profit before tax presented in the income statement:

	<b>3 months ended 31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Inter-segment transactions	(32)	(614)
Inter-segment dividend income	7,600	–
Inter-segment rental income	164	164
Finance costs	1,518	1,657
	<u>9,250</u>	<u>1,207</u>

- D Additions to non-current assets consist of:

	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000
Property, plant and equipment	<u>2</u>	<u>222</u>

**5. Segment and revenue information (cont'd)**

**5.2 Segment information (cont'd)**

**Operating segments (cont'd)**

**Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements**

E The following items were added to segment assets to arrive at total assets reported in the consolidated statement of financial position:

	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000
Deferred tax assets	5,231	5,295
Tax recoverable	4,351	4,289
	<u>9,582</u>	<u>9,584</u>

F The following items were added to segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000
Deferred tax liabilities	6,244	6,266
Income tax payable	2,136	3,600
	<u>8,380</u>	<u>9,866</u>

## 6. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 May 2021 and 28 February 2021:

### 6.1 Financial assets

	Group		Company	
	31.05.2021	28.02.2021	31.05.2021	28.02.2021
	RM'000	RM'000	RM'000	RM'000
<b>Trade and other receivables:</b>				
Trade receivables	1,933	2,115	–	–
Deposits	5,656	5,648	–	–
Due from Berjaya				
Waterfront Sdn Bhd*	40,454	40,434	–	–
Sundry receivables	7,164	10,672	127	9
<b>Total trade and other receivables</b>	<b>55,207</b>	<b>58,869</b>	<b>127</b>	<b>9</b>
<i>Add: Cash and bank balances</i>	213,297	195,015	131,166	122,028
<i>Less: Goods and Services Tax receivable</i>	(3,552)	(3,552)	–	–
<b>Total financial assets carried at amortised cost</b>	<b>264,952</b>	<b>250,332</b>	<b>131,166</b>	<b>122,028</b>

#### \*Due from Berjaya Waterfront Sdn Bhd (“BWSB”)

The amount due from BWSB is related to the uncollected portion of the sale consideration for the Group’s interests over leasehold properties in the Zon Johor Bahru, which was completed in March 2013. This balance, guaranteed by BWSB’s holding company, had been subject to interest throughout the term that the balance was outstanding. The interest rate was initially at 6% per annum, but has been revised to 9% per annum from 16 July 2015 onwards.

The balance of RM40.0 million is scheduled to be repaid on or before 15 April 2022. BWSB has agreed to continue to pay interest at the rate of 9% per annum on the unpaid consideration on a quarterly basis.

**6. Financial assets and financial liabilities (cont'd)**

**6.2 Financial liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>31.05.2021</b>	<b>28.02.2021</b>	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000	RM'000	RM'000
<b>Trade and other payables:</b>				
Trade payables	26,601	22,133	–	–
Accruals	5,838	6,180	762	910
Accrued payroll related expenses	142	133		
Contribution costs payable	209	209	–	–
Rental payables	1,892	1,493	–	–
Deposit received for the proposed disposal #	560	560	–	–
Other deposits received	549	546	–	–
Royalty payables	84	28	–	–
Sundry payables	1,104	1,758	160	409
Put option liability ^	5,404	5,404	–	–
<b>Total trade and other payables</b>	<b>42,383</b>	<b>38,444</b>	<b>922</b>	<b>1,319</b>
<i>Add: Borrowings</i>	6,582	6,474	–	–
<i>Less: Goods and Services Tax payable</i>	(43)	(45)	–	–
<b>Total financial liabilities carried at amortised cost</b>	<b>48,922</b>	<b>44,873</b>	<b>922</b>	<b>1,319</b>

# This deposit relates to the proposed sale of Kelana Megah Sdn Bhd's intended lease interests in the land parcel bearing lot number PTB 20379 to Berjaya Waterfront Sdn Bhd for a consideration of RM27,990,000 ("KMSB Agreement"). The conditions precedent for the sale have not been fulfilled to date.

^ The put option liability reflects the carrying value of the put options issued to 22.22% (28 February 2021: 22.22%) of non-controlling interest in a subsidiary Brand Connect Holding Pte. Ltd. ("BCH"). The carrying value of the liability has been calculated based on expected financial performance of BCH and expected exercise date.

**7. Profit/(loss) before taxation**

**7.1 Significant items**

**(a) Other income**

	<b>Group 3 months ended 31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Interest income from bank balances	232	1,062
Interest income from Berjaya Waterfront Sdn Bhd	907	905
Rental income		
- advertisement space	5	729
- property, plant and equipment	70	88
Commission income	1	4
Promotion income	13	289
Incentive income received from suppliers	5	20
Gain arising from changes in fair value of biological assets	62	47
Lease concessions	21	-
Miscellaneous income	750	756
	2,066	3,900

Included in miscellaneous income were government grants of RM524,000 (2020: Nil) received by the Group under the wage subsidy programmes introduced in Malaysia in response to the COVID-19 pandemic.

**(b) Other operating expenses**

The following items have been included in arriving at other operating expenses:

	<b>Group 3 months ended 31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Assessment and quit rent	237	237
Auditors' remuneration	222	269
Bank charges	378	429
Impairment loss on receivables	45	298
Insurance	189	374
(Reversal)/provision of inventories written down	(1,544)	95

**7. Profit/(loss) before taxation (cont'd)**

**7.1 Significant items (cont'd)**

**(b) Other operating expenses (cont'd)**

The following items have been included in arriving at other operating expenses (cont'd):

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Inventories written off	21	67
Management fees	458	538
Packing materials	17	28
Printing and stationery	15	14
Property, plant and equipment written off	–	81
Transportation costs	148	223
Travelling expenses	61	83

**7.2. Related party disclosures**

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:

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
<b>Related companies:</b>		
- Management fee	300	300
<b>Related party:</b>		
- Purchases from Heinemann Asia Pacific Pte. Ltd. (“HAP”)	4,931	24,044
- Management fee paid/payable to HAP	158	238
- Ad-space rental received/receivable from HAP	–	432
- Reimbursement of costs from HAP	214	1,399

**8. Income tax expense**

Major components of income tax expense

The Group calculated the income tax expense for the reporting period using the tax rate that would be applicable to the expected total annual earning. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	<b>Group</b>	
	<b>3 months ended</b>	
	<b>31 May</b>	
	<b>2021</b>	<b>2020</b>
	RM'000	RM'000
Current income tax expense	650	335
Deferred income tax expense relating to origination and reversal of temporary difference	41	46
Income tax expense recognised in profit or loss	691	381

**9. Net asset value**

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31 May</b>	<b>28 February</b>	<b>31 May</b>	<b>28 February</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>
Net asset value per ordinary share (RM sen)	30.90	30.87	53.26	52.45
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.



## 10. Financial assets at fair value through other comprehensive income

### 10.1 Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period:

Group	Quoted prices in active markets for identical instruments (Level 1) RM'000	Significant observable inputs other than quoted prices (Level 2) RM'000	Significant un- observable inputs (Level 3) RM'000	Total RM'000
<b>At 31 May 2021</b>				
<b>Non-financial assets:</b>				
- Biological assets	–	–	162	162
<b>Financial liabilities:</b>				
Derivatives				
- Call and put options	–	–	(222)	(222)
	–	–	(222)	(222)
<b>At 28 February 2021</b>				
<b>Non-financial assets:</b>				
- Biological assets	–	–	100	100
<b>Financial liabilities:</b>				
Derivatives				
- Call and put options	–	–	(222)	(222)
	–	–	(222)	(222)

**11. Intangible assets**

**11.1 Distribution rights**

<b>Group</b>	<b>Distribution rights RM'000</b>
<b>At 28 February 2021</b>	
Cost	619
Accumulated amortisation	(457)
Net carrying amount	<u>162</u>
<b>3 months period ended 31 May 2021</b>	
At 1 March 2021	162
Amortisation charge for the period	(44)
Net carrying amount	<u>118</u>

Distribution rights relate to the various distribution contracts for the Group's alcohol distribution business that were acquired in business combination. The useful life of these rights is estimated to be 3 years. The amortisation of distribution rights is included in the profit or loss.

**11.2 Goodwill**

<b>Group</b>	<b>Goodwill RM'000</b>
<b>At 28 February 2021</b>	
Cost	28,816
Accumulated impairment losses	(22,998)
Net carrying amount	<u>5,818</u>
<b>3 months period ended 31 May 2021</b>	
At 1 March 2021	5,818
Impairment loss for the period	-
Net carrying amount	<u>5,818</u>

## **11. Intangible assets (cont'd)**

### **11.2 Goodwill (cont'd)**

The cash-generating units (“CGU”) to which goodwill have been allocated were tested for impairment as at 31 May 2021. The recoverable amount of the CGUs was determined based on value in use calculations using probabilities-weighted cash flow projections from financial forecasts covering a five-year period with different scenarios of possible recovery of passenger traffics at outlets located at land borders from COVID-19 pandemic related travel restrictions and borders controls and cost-cutting measures. The key assumptions used in the discounted cash flow models were similar to those as made in FY2021 for growth rates, budgeted gross margins, ability to renew duty free licenses, discount rates, and long-term growth rate.

- i) The revenue projection for the first year is determined based on financial budget prepared. Revenue growth rates for FY2023 range between 3% to 275% and 3% to 5% for FY2024 to FY2027
- ii) The budgeted gross margins for the trading of duty free goods and non-dutiable merchandise segment are in the range of 10% to 32%, which is based on average gross margin achieved in past years.
- iii) The duty-free business requires a number of licences, which include duty-free shop licence, wholesale dealer’s licence, bonded warehouse licence and/or liquor import licence. It is assumed that the licences will be renewed upon their expiry on terms and conditions which are not less favourable.
- iv) The forecasted long-term growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs. The forecasted growth rate used to extrapolate cash flow projections beyond the five-year period is 2.2%.
- v) The pre-tax discount rate applied to the cash flow projections is 15.1% to 15.8% based on weighted average cost of capital of the Group.

The present value of the discounted cash flow was then compared to the carrying value of the CGUs and as there was no shortfall in the assessment, no impairment loss was recorded for the period ended 31 May 2021.

### **11.3 Non-current prepayment**

The non-current prepayment is related to the development return paid to the State Government of Johor and City Council of Johor Bahru as a condition precedent to be fulfilled under the agreement for the proposed sale of Kelana Megah Sdn. Bhd.’s intended lease interests in the land parcel bearing the lot number PTB 20379 to Berjaya Waterfront Sdn Bhd as mentioned in Note 6.2 above.

## 12. Property, plant and equipment

During the three months ended 31 May 2021, the Group acquired assets amounting to RM2,000 (31 May 2020: RM77,000).

## 13. Borrowings

	<b>Group</b>	
	<b>31.05.2021</b>	<b>28.02.2021</b>
	RM'000	RM'000
<b>Amount repayable within one year or on demand</b>		
Secured:		
Short term loans	6,384	6,249
Obligations under finance leases	90	97
	6,474	6,346
<b>Amount repayable after one year</b>		
Secured:		
Obligations under finance leases	108	128
	108	128
Total borrowings	6,582	6,474

The short-term loans are secured by way of: corporate guarantees from the Company.

## 14. Share capital

<b>Company</b>	<b>Number of ordinary shares</b>		<b>Amount</b>	
	<b>31.05.2021</b>	<b>28.02.2021</b>	<b>31.05.2021</b>	<b>28.02.2021</b>
	with no par value		with no par value	
	'000	'000	RM'000	RM'000
Beginning of interim period	1,198,199	1,198,199	978,724	1,107,574
Capital reduction	–	–	–	(128,850)
End of interim period	1,198,199	1,198,199	978,724	978,724

#### 14. Share capital (cont'd)

<u>Outstanding Convertible Securities</u>	<b>Company</b>	
	<b>As at 31 May 2021</b>	<b>As at 28 February 2021</b>
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 31 May 2021 was 30,999,300 (28 February 2021: 30,999,300).

During the three-month period ended 31 May 2021 ("1Q FY2022"), there were no sales, transfers, disposals and cancellation and/or use of treasury shares.

As at 31 May 2021, the Company's issued and paid-up share capital comprises 1,198,199,093 (28 February 2021: 1,198,199,093) ordinary shares, excluding treasury shares and the Company has 491,400,042 outstanding convertible warrants each with exercise price of S\$0.33 expiring 13 May 2022.

Save as disclosed above, the Company did not have any subsidiary holdings or other convertibles as at 31 May 2021.

#### 15. Subsequent events

There were no material events subsequent to the current quarter under review and up to the date of this report.

## 16. Review

The condensed consolidated statement of financial position of Duty Free International Limited and its subsidiaries as at 31 May 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the three-month period and certain explanatory notes have not been audited or reviewed.

## 17. Review of performance of the Group

### Statement of Comprehensive Income

#### First quarter ended 31 May 2021 ("1Q FY2022") vs First quarter ended 31 May 2020 ("1Q FY2021")

##### Revenue

The Group recorded revenue of RM33.4 million in 1Q FY2022, representing a decrease of 22.6% or RM9.8 million, over the revenue of RM43.2 million in 1Q FY2021. The decrease was mainly due to the non-operations of the majority of the Group's retail outlets in Malaysia for three months from 1 March 2021 to 31 May 2021 as compared to the corresponding quarter of the previous year, whereby the cessation of operations for the same retail outlets were from 18 March 2020 to 31 May 2020 following the imposition of the nationwide Movement Control Order ("MCO") and Conditional Movement Control Order ("CMCO") by Malaysian Government to curb the outbreak of Covid-19 pandemic. Similar to the previous quarters, in the current quarter under review, only certain outlets in the Group that were not at the Malaysia Thai border and the airports were in operations with low sales recorded due to subdued consumer demand. The outlets which were opened were operating with strict compliance to the Standard Operating Procedures ("SOPs") guidelines issued by Ministry of Health.

##### 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 1Q FY2022, the value of the closing inventories was lower than the value of the opening inventories by RM9.6 million. In 1Q FY2021, the value of the closing inventories was lower by RM3.1 million. This resulted in a variance of RM6.5 million for 1Q FY2022 vis-à-vis 1Q FY2021, 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 47.8% or RM15.8 million, from RM32.9 million in 1Q FY2021 to RM17.1 million in 1Q FY2022. This was mainly due to lower purchases and consumption of inventories in the current quarter due to subdued consumer demand as mentioned above.

Other operating income

Other operating income decreased by RM1.8 million or 47.0% from RM3.9 million in 1Q FY2021 to RM2.1 million in 1Q FY2022 mainly due to a decrease in interest income of RM0.9 million and rental income from advertisement space of RM0.7 million. The lower advertisement income received from vendors were due to the cessation of operations of certain retail outlets as mentioned above.

Employee benefits expenses

Employee benefits expenses decreased by 48.9% or RM3.2 million, from RM6.5 million in 1Q FY2021 to RM3.3 million in 1Q FY2022. The savings were mainly from the cost cutting measures undertaken by the Group in the reduction of human resource costs, which included downsizing of manpower in 2Q FY2021 and salary reduction of all employees across the Group.

Rental of premises

The rental of premises expenses showed a decrease of 81.0% or RM3.8 million from RM4.7 million in 1Q FY2021 to RM0.9 million in 1Q FY2022. The significant drop in rental expenses in the current period was mainly due to rental reduction granted by landlords amounting to RM3.1 million, in response to COVID-19 pandemic as well as no further rental expenses incurred after the permanent closure of certain retail outlets since 2Q FY2021.

Unrealised foreign exchange gain

Unrealised foreign exchange gain in 1Q FY2022 of RM2.4 million was lower by RM2.0 million or 45.3% as compared to RM4.4 million in 1Q FY2021. This was mainly due to lower balances of Group's foreign currency deposits in financial institutions in 1Q FY2022 as compared to 1Q FY2021, following the capital reduction in May 2021.

Other operating expenses

The Group incurred lower other operating expenses in 1Q FY2022 by RM2.4 million or 68.3% as compared to RM3.5 million in 1Q FY2021, mainly attributable to lower inventories written down by RM1.6 million and lower insurance expense by RM0.2 million, during the period under review.

The rest of the expenses on the Group's income statement remained largely unchanged in 1Q FY2022 as compared to 1Q FY2021.

Profit before income tax

The Group reported a profit before income tax of RM0.5 million for 1Q FY2022 as compared to loss before income tax of RM6.8 million recorded in 1Q FY2021, registering a favourable variance of RM7.2 million. The small profit before income tax for 1Q FY2022 was mainly contributed by lower rental of premises of RM3.8 million, lower employee benefits expenses of RM3.2 million and lower inventories written down of RM1.6 million as compared to the corresponding quarter in the previous year as mentioned above. However, the positive effect was partially offset by lower revenue recorded as well as lower net foreign exchange gain in current quarter under review.

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

Not applicable.

**19. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

- (i) At the date of this announcement, Malaysia is undergoing Full Movement Control Order ("FMCO") which is enforced throughout the nation with effect from 1 June 2021 with international borders remaining strictly closed due to the continuous rise in COVID 19 active cases. Consequently, all outlets in the Group have ceased operations for the time being. It is still unknown when the FMCO will be uplifted and retail shops are allowed to be opened. Even when Malaysia eventually eases into economy recovery mode with the ongoing vaccination programme by the Malaysian Government since February 2021, downside risks remain. With the uncertainties surrounding the timing of the re-opening of the international borders coupled with consumer consumption that is anticipated to remain weak due to the lingering impact of movement restrictions and adverse economic effect, the Group expects the business environment to remain challenging for the rest of the financial year ending 28 February 2022.

In view of the ongoing uncertainties, the Group will continue to strategise, adapt and navigate through the challenging business environment and endeavor to take timely appropriate actions in order to minimise operating risks and maximise its resources so as to ensure that its core businesses remain resilient in these uncertain times.



- (ii) On 30 November 2017, the Company announced that the Company's subsidiary, Seruntun Maju Sdn. Bhd. ("SMSB") had received the bills of demand from the Royal Malaysian Customs ("Customs"), 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 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.

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 were 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 was 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. The Customs agreed to the refund on 27 April 2021 and the amount of RM2,326,451.78 was received on 16 June 2021.

On 25 February 2021, the Royal Malaysian Customs ("Customs") initiated criminal proceedings pursuant to Section 65D and Section 138 of the Customs Act 1967 ("Customs Act") towards SMSB and its officers before the Magistrate Court. The Company has engaged solicitors to represent SMSB and its officers.

The criminal charges were made on the basis that SMSB and its officers had breached the conditions of the duty-free license issued by Customs to SMSB under Section 65D of the Customs Act.

Other information required by Listing Rule Appendix 7.2

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However, as previously announced, the legality of the conditions that were allegedly breached was challenged by SMSB through a judicial review application (civil proceeding) on 23 November 2017. On 18 June 2020, the conditions were unanimously held by the Court of Appeal to be ultra-vires of Section 65D of the Customs Act and that they ought to be quashed. On 11 January 2021, the Federal Court had dismissed Customs' appeal against the Court of Appeal's decision with costs. Customs had exhausted its rights to appeal and the conditions were conclusively quashed.

Thus, SMSB and its officers had pleaded not guilty and had claimed trial against these charges brought by Customs.

On 12 March 2021, a representation letter was sent to the Attorney General ("AG"), requesting the AG to discontinue criminal proceedings against SMSB and its officers.

On 6 April 2021, the representation letter dated 12 March 2021 was rejected by the AG. The Deputy Public Prosecutor ("DPP") then proposed to amend the charges against SMSB and its officers, jointly.

On 8 April 2021, the DPP withdrew the proposed amended charges as the proposed amended charges were defective since the proposed amended charges could not be read to all SMSB's officers. One of SMSB's officers was not present in Court to hear the proposed amended charges against him.

The Magistrate Court fixed the next case management on 29 July 2021.

**20. 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.

Other information required by Listing Rule Appendix 7.2

**21. 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 31 May 2021.

**22. 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	300	- (Note 1)

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

**23. 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.

#### **24. Changes in the composition of the Group**

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

#### **25. 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.

**Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the three-month period ended 31 May 2021 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

\_\_\_\_\_  
General Tan Sri Dato' Seri Mohd  
Azumi bin Mohamed (Retired)  
Director

\_\_\_\_\_  
Lee Sze Siang  
Director

Singapore  
14 July 2021