



DUTY FREE INTERNATIONAL LIMITED

DUTY FREE INTERNATIONAL LIMITED
(Company Registration No. 200102393E)
(Incorporated in the Republic of Singapore)

RESPONSE TO SGX QUERIES

Unless otherwise defined, all capitalised terms and references used herein shall bear the same meaning ascribed to them in the announcement dated 18 August 2020.

Further to the Company's clarification announcement dated 18 August 2020, the Board of the Company has on 20 August 2020 received the following follow-up queries in relation to its Annual Report for FY2020 from the SGX-ST and sets out its response as follows:

SGX Query (a):

With regard to the Company's response to Query No. 2, please clarify how the practices the Company had adopted are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interest of the Company.

Company's response:

As disclosed in page 19 to 20 of the Annual Report, the Independent Directors make up half of the Board. Despite the Company is not in compliance with the Provision 2.2 of the Code that the Independent Directors make up a majority of the Board where the Chairman of the Board is not independent, the Company has provided its explanation for such deviation and the Company's practices to ensure there are sufficient independent elements in the Board.

Further, despite the Company does not adopt a formal board diversity policy or gender, ethnicity and age group diversity policy, the Board is of the view that the current composition of the Board, which comprises persons who as a group, have the necessary core competencies such as accounting, finance, industry knowledge, business and management experience, has sufficient level of diversity of thought and background to lead and manage the Company.

Based on the foregoing, the Board is of the view that the practices adopted by the Company are consistent with the intent of Principle 2 of the Code, which requires the Board to have an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

SGX Query (b):

With regard to the Company's response to Query No. 3, please clarify how the practices the Company had adopted are consistent with the intent of Principle 8 of the Code, which requires transparency on the Company's remuneration policies, level and mix of remuneration, the

procedure for setting remuneration and the relationships between remuneration, performance and value creation.

Company's response:

In the page 25 of the Annual Report and the clarification announcement dated 18 August 2020, the Company has disclosed the breakdown of the remuneration paid or payable to the Directors and key management personnel (who are not Director or Chief Executive Officer of the Company) in FY2020 in bands of S\$250,000 as well as the remuneration structure and the criteria in determining the remuneration packages of Managing Director, Executive Director and Senior Management.

Notwithstanding the Company does not disclose the exact remuneration of Directors and key management personnel (who are not Director or Chief Executive Officer of the Company) in its Annual Report, of which explanation for such deviation was disclosed, the Board is of the view that the Company has provided sufficient transparency on the Company's remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation, which are consistent with the intent of Principle 8 of the Code.

SGX Query (c):

With regard to the Company's response to Query No. 4, please disclose the names and remuneration of any employees who are substantial shareholders of the Company whose remuneration exceeds S\$100,000 during the year.

Company's response:

The Company does not have any employees who are substantial shareholders of the Company whose remuneration exceeds S\$100,000 in the Group's employment during FY2020.

By Order of the Board

Lee Sze Siang
Executive Director
24 August 2020