TRAVELITE

NEW BRANDS | NEW COLLECTIONS | NEW BEGINNINGS

ELEVATING TO NEW HEIGHTS

2016 ANNUAL REPORT

CORPORATE PROFILE

Our founder, Mr TJ Thang, started the luggage business in 1986 to distribute luggage in Singapore. Over the years, we have diversified our product mix to include menswear, ladies fashion and other travel-related accessories.

We currently represent over 20 international brands, either as a licensee or distributor, to market their products across various parts of Southeast Asia.

Our distribution channel consists of departmental stores, chain of specialty stores, third party retail outlets, gift redemption and corporate gift programmes in Singapore and Malaysia; and wholesale distribution to third party distributors in countries such as Brunei, Cambodia, Indonesia, the Philippines, the PRC, Thailand and Vietnam.

Travelite Holdings was initially listed on the former SGX-SESDAQ on 16 May 2007 and successfully upgraded to the SGX Mainboard on 24 August 2009, marking a significant milestone in the history of the Company.

VISION

The leading lifestyle brand management company in Asia and key international markets

MISSION

Enhance shareholders' value through a continued focus on profitability. Increase consumer loyalty through excellent customer service. Expand our brand representation & product segments through strategic acquisitions, joint ventures or alliances

CONTENTS

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR THANG TECK JONG
Executive Chairman

MR HOE KEE KOK
Executive Director

MR FOONG DAW CHING
Lead Independent Director

MR TAN CHUN CHIEH
Independent Director

AUDIT COMMITTEE

MR FOONG DAW CHING *Chairman*
MR TAN CHUN CHIEH
MR HOE KEE KOK

NOMINATING COMMITTEE

MR TAN CHUN CHIEH *Chairman*
MR FOONG DAW CHING
MR HOE KEE KOK

REMUNERATION COMMITTEE

MR TAN CHUN CHIEH *Chairman*
MR FOONG DAW CHING
MR HOE KEE KOK

COMPANY SECRETARIES

MS WEE WOON HONG, LLB (Hons)
Ms LEE LI ERH, CA Singapore

REGISTERED OFFICE

205A Kallang Bahru
Singapore 339342
Tel: (65) 6295 3811
Fax: (65) 6295 1587
Website: www.etravelite.com

SHARE REGISTRAR

Tricor Barbinder Share Registration Services

(A division of Tricor Singapore Pte. Ltd.)
80 Robinson Road #02-00
Singapore 068898

INDEPENDENT AUDITORS

RSM Chio Lim LLP

Public Accountants and Chartered Accountants
8 Wilkie Road
#04-08 Wilkie Edge
Singapore 228095
Partner-in-charge:
Mr Eu Chee Wei David
FCA Singapore
Appointed with effect from financial year ended 31 March 2012

PRINCIPAL BANKERS

Oversea-Chinese Banking Corporation Limited

65 Chulia Street
OCBC Centre
Singapore 049513

DBS Bank Ltd.

5 Tampines Central 6
#01-10 Telepark
Singapore 529482

United Overseas Bank Ltd

1 Tampines Central 1
#01-01 UOB Tampines Centre
Singapore 529539

OUR BRANDS

DELSEY
DANIEL HECHTER PARIS
pierre cardin paris
UNITED COLORS OF BENETTON.
Arnold Palmer
Hedgren
SANTA BARBARA POLO & RACQUET CLUB
Traveler's Choice
VAN HEUSEN
Paul Smith LUGGAGE
Callaway
camel active
SISLEY
AMERICAN FLYER
Crocodile
BRENTWOOD
PORSCHE DESIGN
GERRY WEBER
pierre dalby paris
BEVERLY HILLS POLO CLUB
CERRUTI 1881
BOZAKI GERMANY
bradFORD

CHAIRMAN'S MESSAGE

"The Group achieved a turnaround with a net profit of S$0.7 million, compared to a loss of S$4.5 million last year."

DEAR SHAREHOLDERS,

FY2016 was a milestone year. We are heartened to witness the Group emerge stronger despite the tough operating environment.

TURNAROUND IN FY2016

The Group achieved a turnaround with a net profit of S$0.7 million, compared to a loss of S$4.5 million last year. This was the result of several strategic moves that were aimed to strengthen the entity operationally. During the year, we adjusted product pricing to ensure its attractiveness, cleared old inventory and tightened costs. At the same time, we negotiated for more favourable pricing from our suppliers.

ACQUISITION OF SINGAPORE CROCODILE (1968) PTE LTD

The Group successfully completed a strategic acquisition, which added further scale to our business. In early 2016, we acquired 60% of Singapore Crocodile (1968) Pte Ltd ("SC68") for a total purchase consideration of S$2.8 million.

SC68, which has an annual turnover consistently above S$10 million, holds the exclusive licensing rights of *Crocodile* trademark – a long established brand with a strong following in Singapore. The acquisition not only strengthens our portfolio of quality brands, but also enhances our purchase efficiency due to a broadened supplier base. Moreover, the Group will benefit from the synergies derived following the integration.

WIDER PORTFOLIO OF BRANDS

As one of the leading distributors of fashion and lifestyle products, we strive to delight customers with a strong brand portfolio.

In FY2016, apart from the popular *Crocodile* brand, we also brought in *Bradford* – an up-and-coming menswear label that focuses on smart casual for the early thirties to mid forties. In addition, we secured the rights to distribute the Swiss luggage brand, *Victorinox*, in Indonesia.

These three labels enrich our existing stable of over 20 international brands. Among the brands we represent, we are particularly proud of Delsey and Van Heusen, which have performed consistently well over the years.

FINANCIAL REVIEW

The Group's revenue of S$45.7 million in FY2016 was comparable to FY2015. While the Group achieved higher local sales of apparel, it was offset by weaker revenue of the same in Malaysia and lower export sales of luggage.

Gross profit, however, rose by 19.7% to S$17.1 million, with gross profit margin improving by 6.4% to 37.3% in FY2016. These improvements were attributed to favourable pricing from suppliers, successful pricing and promotion strategy as well as contributions from SC68.

Marketing and distribution costs rose marginally by 3.1% to S$11.8 million due to the acquisition of SC68. Excluding the new subsidiary, marketing and distribution costs would have dipped by 3.5%, owing to lower rental and better control of discretionary expenses. Administrative expenses declined by 0.8% to S$4.8 million despite the acquisition – a result of our continued streamlining of back-office operations. As a whole, we managed to keep operating expenses in check by maintaining them at around 36% of revenue – a level similar to FY2015.

During the year, other gains of S$1.6 million were recorded due to a reversal of impairment on inventory following substantial clearance of old stock, and government grants.

Taking into account other losses totalling $1.0 million, which comprised mainly foreign exchange adjustment losses, the Group ended FY2016 with a net profit after tax of S$0.7 million.

CHANGE IS THE ONLY CONSTANT

We recognise that change should be the only constant to remain relevant. Other than the acquisition of SC68, we disposed of our stake in a loss-making subsidiary as part of the Group's ongoing business rationalisation process. Going forward, we will continue to critically review our operations, and relinquish non-performing counters and brands. This will free up resources for more efficient deployment elsewhere.

EMBRACING CHALLENGES AND OPPORTUNITIES

Accompanying the global economic slowdown are lower GDP growth forecasts in Singapore and Malaysia. Amidst weak consumer sentiments, the retail segment in these two key markets will likely continue to soften. Already, in the recent months, we have witnessed the downsizing of several departmental stores, while several global and Asian fashion brands have exited Singapore. We will continue to review and fine-tune our business model to meet the challenges presented in this environment.

Having said this, we believe there are still opportunities to augment our position. We will actively look out for suitable M&A targets, secure new brands and widen our market coverage.

The joint venture in Cambodia is making good headway and forms a firm platform for us to tap the growing retail market in the country. With this small foothold, we will explore other business opportunities in Cambodia.

COMMITMENT TO OUR LISTED STATUS

The Group is committed to remain a listed entity as it cements the Travelite brand name in the industry. To satisfy SGX's continuing listing requirement for issuers to have a minimum trading price of S$0.20 per share, we completed a 5:3 share consolidation exercise in August 2015.

APPRECIATION

On behalf of the Board of Directors, I would like to thank all business partners and colleagues for their continued support. Special thanks also goes out to you, our valued shareholder, for believing in the Group.

TJ THANG
Executive Chairman


Crocodile

BOARD OF DIRECTORS

THANG TECK JONG
Executive Chairman

He is the Executive Chairman of the Company. Mr Thang formulates the Group's strategic directions and expansion plans. As the founder, he has been instrumental in the growth and development of the Group since its inception in 1986.

Mr Thang is currently the Vice Chairman of the Townsville Primary School Advisory Committee and has been a member for the past 10 years. In 2010, he received the Service to Education Award (Pewter) from Ministry of Education for his long-term contribution. Mr Thang was named as one of the Entrepreneur of the Year 2005 by ASME and the Rotary Club of Singapore.

HOE KEE KOK
Executive Director (Operations)

He is the Executive Director (Operations) of the Company. Mr Hoe has over 30 years of working experience in operations. Prior to joining the Company in 1992, he was employed by several MNCs in Singapore, responsible for production planning and control, and setting up logistics department to support manufacturing and distribution worldwide.

Mr Hoe is currently responsible for implementing the Group's conceptual directions and developing strategies for the Group. He also oversees the day-to-day operations and administrative matters.

He graduated with a Diploma in Production Engineering from the Singapore Polytechnic.

BOARD OF DIRECTORS

FOONG DAW CHING

Lead Independent Director

He is the Lead Independent Director and Chairman of the Audit Committee of the Company. Mr Foong is currently one of the Senior Partners of Baker Tilly TFW LLP, an audit firm in Singapore. He has more than 36 years of audit experience with six years of experience with an international audit firm.

Mr Foong was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants, a Fellow member of CPA, Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

He is an Independent Director of Suntar Eco-City Limited, listed on SGX Mainboard. He is also the Non-Executive Chairman of Starland Holdings Ltd, which is listed on Catalist.

TAN CHUN CHIEH

Independent Director

He is an Independent Director and the Chairman of the Nominating and Remuneration Committees of the Company. Mr Tan currently manages and runs his own businesses through the Lesus group of companies, spanning mechanical engineering to human resource consulting. He started his career as an engineer in 1999 and subsequently as a Project Manager in a local mechanical and electrical firm in 2000 before starting his own business in 2001.

Mr Tan graduated from National University of Singapore with First Class Honours in Civil Engineering, under the Construction Industry Development Board (CIDBSCC) scholarship. He was awarded the IES Gold Medal by Institute of Engineers (Singapore) in 1999 for being the top graduate in Civil Engineering.


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KEY MANAGEMENT

LEE LI ERH (JESSIE)
Group Financial Controller

She is the Group Financial Controller, responsible for the overall financial accounting, financial reporting as well as matters relating to corporate finance of the Group. She also acts as the joint company secretary for the Group. She joined the Group in 2012 as Finance Manager, assisting the then Chief Financial Officer and rose to the current position in 2015. Prior to joining the Group, she was with a leading local mid-tier audit firm for six years as an auditor, with her last position being an audit manager. She started her career in 2005 with Standard Chartered Bank Malaysia Berhad, managing property-related matters as well as operational risks and management assurance.

Ms Lee is a Fellow of The Association of Chartered Certified Accountants. She is also a Chartered Accountant of the Institute of Singapore Chartered Accountants.

YEO TOON WEE
Managing Director
YG Marketing Pte Ltd

He is the Managing Director of YG Marketing Pte. Ltd. ("YG Marketing"). He has been with YG Marketing for more than 30 years. He joined in 1981 and since then, has held various positions in YG Marketing, culminating in his present position. Prior to joining YG Marketing, he was employed by an MNC in Singapore where he gained considerable knowledge and experience in production, planning and control as well as personnel administration.

Mr Yeo is responsible for overseeing the overall strategic business plans and directions for both YG Marketing and its subsidiary, Singapore Crocodile (1968) Pte Ltd.

Mr Yeo graduated with a Bachelor Degree in Arts from Nanyang University Singapore in 1979.

YEO GUAN HONG (SIMON)
General Manager
Demarco Pte Ltd

He is the General Manager of Demarco Pte Ltd ("Demarco"). He joined in 2005 as Assistant Manager and rose to become the General Manager of Demarco in 2009. Previously, Mr Yeo was employed by another wholesale and retail company in Singapore dealing with luggage and bags where he gained considerable knowledge and experience in the wholesale and retail trade.

Mr Yeo is responsible for planning and implementing all action plans and decisions to ensure the profitability objectives of Demarco are achieved. He is also responsible for overseeing the day-to-day operations and administrative matters of Demarco.

Mr Yeo completed his formal education up to the level of School Certificate in Malaysia.

KEY MANAGEMENT

CHEW CHIEW HOR (JOHNNY)

General Manager
YG Marketing Pte Ltd

He is the General Manager of YG Marketing Pte Ltd ("YG Marketing"). Having been in the menswear wholesale and retail industry for over 20 years, Johnny has accumulated extensive experience, starting from an operational role before rising to hold various key management positions. Prior to joining Travelite in 2015, he ran a boutique menswear company, developing his house label into a renowned local brand within a short span of 5 years.

Mr Chew is responsible for achieving the strategic and financial objectives of YG Marketing. To ensure that these objectives are met, he also plays an integral role towards strategising and implementing action plans on the daily operations and administrative matters of YG Marketing.

He graduated with a Diploma in Marketing from National Productivity Board, or what is known now as PSB Academy in Singapore.

TOH KIAN HOCK (MARK)

General Manager
Singapore Crocodile (1968) Pte Ltd

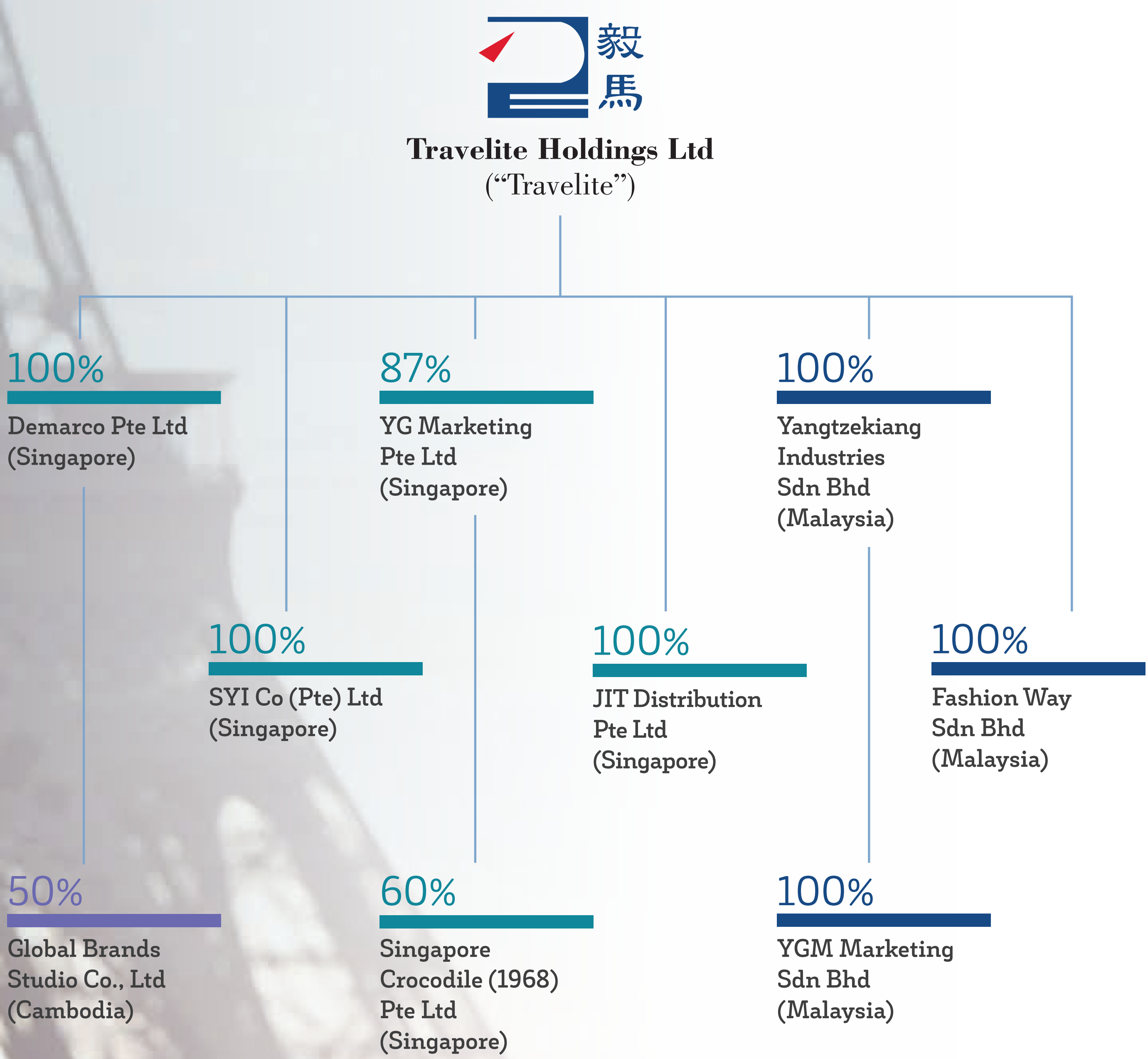
He is the General Manager of Singapore Crocodile (1968) Pte Ltd ("SC68"). Prior to joining Travelite in 2015, Mark was previously the Division General Manager of a Hong Kong-listed fashion and retail company in Singapore. He has over 20 years of experience in the retail trade, mostly in the apparel and accessories segment.

Mr Toh is responsible for implementing all action plans and decisions in accordance to the Group's overall strategic business plans and directions. He also oversees the day-to-day operations and administrative matters of SC68.

He completed his formal education up to the Singapore-Cambridge GCE O-Level in Singapore.


GERRY WEBER

GROUP STRUCTURE

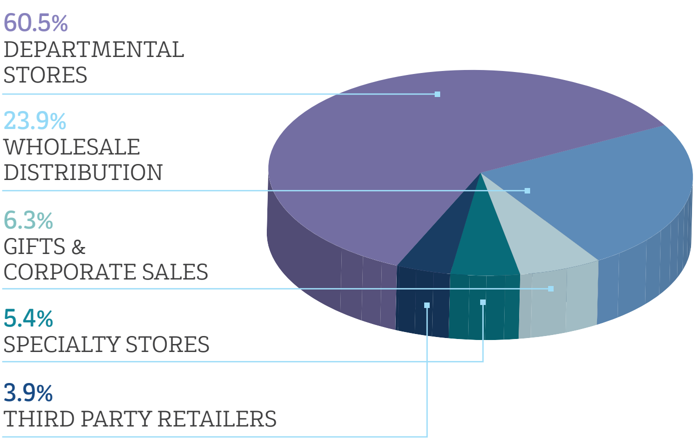


FINANCIAL HIGHLIGHTS

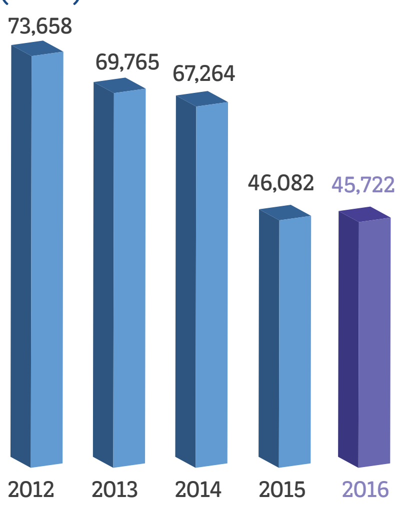
	FY2012	FY2013	FY2014	FY2015	FY2016
Financial Results					
Revenue ($'000)	73,658	69,765	67,264	46,082	**45,722**
Profit (Loss) Before Tax ($'000)	1,711	1,171	380	(4,329)	**948**
Earnings (Loss) Per Share (cents)[1]	2.2	1.0	(0.3)	(7.3)	**0.7**
Financial Position					
Non-Current Assets ($'000)	7,457	7,381	5,175	3,463	**3,820**
Net Current Assets ($'000)	18,825	21,656	23,787	20,970	**25,481**
Total Equity[2] ($'000)	25,516	28,170	28,375	24,033	**28,910**
Net Debt (Cash) ($'000)	10,462	6,680	(7,415)	(1,183)	**(5,493)**
Return on Equity (%)	4.4%	2.1%	-0.7%	-18.7%	**1.4%**
Net Debt to Equity Ratio (times)	0.4	0.2	N.A.	N.A.	**N.A.**
Net Assets Per Share (cents)[1] (excluding treasury shares)	48.7	44.7	46.2	39.0	**45.8**

(1) Restated for 5:3 share consolidation effective from 5 August 2015.
(2) Includes non-controlling interests.
N.A. denotes not applicable.

SEGMENT REVENUE



REVENUE ($'000)




DANIEL HECHTER
PARIS

VAN HEUSEN

FINANCIAL CONTENTS

REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board" or the "Directors") of Travelite Holdings Ltd. (the "Company") is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the "Group") to ensure greater transparency and to protect the interests of the shareholders.

The Company has, since its listing on the Singapore Exchange Securities Trading Limited ("SGX-ST") on 16 May 2007, put in place various policies and practices that will safeguard the interests of shareholders and enhance shareholders' value as part of its effort to maintain high standards of corporate governance. This section outlines the main corporate governance practices and procedures adopted by the Company with reference made to the Code of Corporate Governance 2012 (the "Code").

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective board to lead and control the company. The board is collectively responsible for the long-term success of the company. The board works with management to achieve this objective and management remains accountable to the board.

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholders' value.

Apart from its statutory responsibilities, the Board is responsible for:

- approving the Group's strategic plans, key operational initiatives, major investments and funding decisions;
- identifying principal risks of the Group's business and ensuring the implementation of appropriate systems to manage these risks;
- reviewing the financial performance of the Group; and
- approving the release of the financial results to the shareholders.

The Board holds at least two meetings a year at regular intervals, with additional meetings for particular matters convened as and when they are deemed necessary. Telephonic attendance at Board meetings is allowed under the Company's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions. To assist in the execution of its responsibilities, the Board has established a number of Board committees including an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC"). These committees are chaired by independent Directors and operate within clearly defined terms of reference and functional procedures.

There was no new Director appointed in the financial year ended 31 March 2016 ("FY2016"). When a new Director is to be appointed, he will receive appropriate orientation to familiarise him with the business and organisation structure of the Group. To get a better understanding of the Group's business, the newly appointed Director will also be given the opportunity to visit the Group's operational facilities and meet with the management of the Group (the "Management"). The Directors are provided with updates on changes in the relevant new rules and regulations to enable them to make well-informed decision and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. The Directors may also attend appropriate courses, conferences and seminars at the Company's expenses.

REPORT OF CORPORATE GOVERNANCE

During FY2016, the number of Board and Board committee meetings held and attended by each member of the Board is as follows:

Type of Meetings / Names of Directors	Board		AC		NC		RC	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Thang Teck Jong	2	2	–	–	–	–	–	–
Hoe Kee Kok	2	2	2	2	1	1	1	1
Foong Daw Ching	2	2	2	2	1	1	1	1
Tan Chun Chieh	2	2	2	2	1	1	1	1

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the board, which is able to exercise objective judgment on corporate affairs independently, in particular, from management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the board's decision making.

The Board currently comprises four members, two of whom are independent Directors. This composition complies with the Code's guideline that at least half of the Board should be made up of independent Directors.

Executive Directors
Mr Thang Teck Jong, Executive Chairman
Mr Hoe Kee Kok, Executive Director

Independent Directors
Mr Foong Daw Ching (Lead Independent Director)
Mr Tan Chun Chieh

The independence of each Director is reviewed annually by the NC. The NC adopts the definition in the Code as to what constitutes an independent director in its review to ensure that the Board consists of persons who, together, will provide core competencies necessary to meet the Company's objectives. The NC is of the view that Mr Foong Daw Ching and Mr Tan Chun Chieh are independent.

In view that at least half of the Board is made up of independent Directors, the NC is satisfied that the Board has substantial independent elements to ensure that objective judgment is exercised on corporate affairs.

The Code states that the independence of any Director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In this regard, the Board (save for Mr Foong Daw Ching who abstained from deliberation on his own independence) noted that Mr Foong Daw Ching was first appointed to the Board on 15 February 2007. The Board conducted rigorous review by examining any conflicts of interest, his review and scrutiny of matters and proposals put before the Board, his exercise of independent judgement, the effectiveness of his oversight role as a check and balance on the acts of the executive Directors and Management as well as his role in enhancing and safeguarding the interest of the Company and that of its shareholders. Upon review, the Board considered Mr Foong Daw Ching to remain independent.

REPORT OF CORPORATE GOVERNANCE

The Board through the NC has examined its size and is of the view that it is an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process.

There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in accounting, finance, business and management and strategic planning.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Thang Teck Jong is the executive Chairman of the Company and is responsible for the formulation of the Group's strategic directions and expansion plans. The executive Director of the Company, Mr Hoe Kee Kok bears daily operational responsibility for the Group's business. Mr Thang Teck Jong and Mr Hoe Kee Kok are brothers.

To promote a high standard of corporate governance, Mr Foong Daw Ching has been appointed as the Lead Independent Director as well as the Chairman of the AC of the Company. In accordance with the Code, Mr Foong Daw Ching is available to shareholders when they have concerns where contact through the normal channels of the executive Chairman, executive Director and/or Group Financial Controller has failed to resolve or for which such contact is inappropriate.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the board.

The NC comprises three Directors, namely Mr Tan Chun Chieh, Mr Foong Daw Ching and Mr Hoe Kee Kok. The Chairman, Mr Tan Chun Chieh and Mr Foong Daw Ching are independent Directors. The NC has written terms of reference that describe the responsibilities of its members.

The principal functions of the NC are as follows:

- to re-nominate existing Directors, having regard to their contribution and performance;

- to determine on an annual basis whether a Director is independent; and

- to decide whether a Director is able to and has been adequately carrying out his duties as a Director of the Company, particularly when the Director has multiple board representations.

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as new Directors through the business network of the Board. The NC will generally assess suitable candidates for appointment to the Board based on the requisite qualifications, expertise and experience. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion.

The Constitution of the Company provides that at least one-third of the Directors shall retire from office by rotation at each annual general meeting ("AGM") of the Company and, all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election by the shareholders at the AGM.

REPORT OF CORPORATE GOVERNANCE

The NC assesses and recommends to the Board whether retiring Directors are suitable for re-election. The NC, in considering the reappointment of a Director, evaluates such Director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board committees and pro-activeness of participation in meetings. Each member of the NC shall abstain from recommending his own re-election. The NC has recommended the re-election of two retiring Directors, namely Mr Hoe Kee Kok and Mr Foong Daw Ching at the forthcoming AGM. The Board has accepted the NC's recommendation.

The dates of initial appointment and re-election of the Directors are set out below:

Name of Director	Age of Director	Date of Initial Appointment	Date of Last Re-election
Thang Teck Jong	55	12 August 2005	24 July 2015
Hoe Kee Kok	67	12 August 2005	19 July 2013
Foong Daw Ching	65	15 February 2007	24 July 2014
Tan Chun Chieh	41	10 November 2008	24 July 2015

The Board has set the maximum number of six listed company board representations which any Director may hold at any one time. All Directors have complied with this requirement.

Key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Statement by Directors" sections of this annual report respectively.

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the board as a whole and its board committees and the contribution by each director to the effectiveness of the board.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board committees and for assessing the contribution from each individual Director to the effectiveness of the Board. Assessment checklists which include evaluation factors such as Board composition and structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, training and recruitment, compensation, financial reporting and communicating with shareholders, are disseminated to each Director for completion and the assessment results are discussed at the NC meeting. Each member of the NC shall abstain from voting on any resolution in respect of the assessment of his performance or re-nomination as a Director.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board meetings. The Directors are also provided with the contact details of the Management and the Company Secretaries to facilitate separate and independent access.

REPORT OF CORPORATE GOVERNANCE

Either one of the Company Secretaries attends Board and Board committee meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act, Cap. 50, and the provisions in the Listing Manual of the SGX-ST are complied with. Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises three Directors, namely Mr Tan Chun Chieh, Mr Foong Daw Ching and Mr Hoe Kee Kok. The Chairman, Mr Tan Chun Chieh and Mr Foong Daw Ching are independent Directors. The RC has written terms of reference that describe the responsibilities of its members.

The Board is of the view that with Mr Hoe Kee Kok's understanding of the Group's operations, he is in an appropriate position to advise and recommend to the Board on the remuneration packages for the rest of the executives in the Group. However, independence is not compromised as the majority of the members of the RC are independent.

The RC was formed to recommend to the Board a framework of remuneration for the Directors and the management and to determine specific remuneration packages for each executive Director. The RC should cover all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits in kind. In addition, the RC administers the Travelite Performance Share Plan (the "Travelite PSP"). Each member of the RC shall abstain from voting on any resolutions in respect of his remuneration package.

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

The Company has a remuneration policy for its executive Directors and executive officers which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus, respectively, and take into account the performance of the Group and the performance of the individual executive Director and executive officer.

The Company had entered into separate service agreements with two executive Directors, namely Mr Thang Teck Jong and Mr Hoe Kee Kok. These service agreements are subject to automatic renewal upon expiry on such terms and conditions as the parties may agree, and provided for, *inter alia*, termination by either party upon giving not less than three months' notice in writing.

REPORT OF CORPORATE GOVERNANCE

Mr Thang Teck Jong is entitled to receive an annual performance bonus based on the audited profit before tax of the Group when it achieves $2,500,000 for the financial year pursuant to his service agreement. No annual performance bonus has been paid to Mr Thang Teck Jong for FY2016. The service agreement of Mr Thang Teck Jong provides that the Company shall be entitled to recover from him the relevant portion of the bonus and any sum paid under his service agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud (not change in accounting principle) during the financial year of the Company, or misconduct of Mr Thang Teck Jong resulting in financial loss to the Company.

The independent Directors are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the effort and time spent and the responsibilities of the independent Directors. The Directors' fees are subject to approval by shareholders at each AGM. Except as disclosed, the independent Directors do not receive any other remuneration from the Company.

The Company has adopted the Travelite PSP at an extraordinary general meeting held in February 2009. The Directors, including both executive and non-executive Directors, are not eligible to participate in the Travelite PSP. Please refer to the "Statement by Directors" section of this annual report for more information of the Travelite PSP.

Disclosure on Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Board supports and is keenly aware of the need for transparency. However, the Board is of the view that full disclosure of the remuneration of Directors and key management personnel of the Group, is not in the best interests of the Company, having taken into consideration the sensitive nature of the matter and the competitive business environment the Group operates in.

The breakdown of the total remuneration of the Directors for FY2016 is set out below:

Name of Director	Fee[(1)]	Salary	Bonus	Benefits	Total Remuneration
	%	%	%	%	%
S$250,000 to S$500,000					
Thang Teck Jong	–	85	7	8	100
S$0 to S$250,000					
Hoe Kee Kok	–	89	7	4	100
Foong Daw Ching	100	–	–	–	100
Tan Chun Chieh	100	–	–	–	100

Note:

(1) These fees are subject to the approval of the shareholders at the forthcoming AGM.

REPORT OF CORPORATE GOVERNANCE

The breakdown of the total remuneration of the key executives of the Group for FY2016 is set out below:

Name of Executive	Salary	Bonus	Benefits	Total Remuneration
	%	%	%	%
S$0 to S$250,000				
Chew Chiew Hor	100	–	–	100
Lee Li Erh	93	7	–	100
Toh Kian Hock	100	–	–	100
Yeo Guan Hong	85	15	–	100
Yeo Toon Wee	94	–	6	100

Note:
(1) Mr Chew Chiew Hor and Mr Toh Kian Hock joined the Group effective from 1 October 2015.

The aggregate total remuneration paid to the above key executives amounted to S$506,000 for FY2016.

Ms Kong Ling Ting @ Kang Ling Ting who is the spouse of Mr Thang Teck Jong and assistant general manager (human resource and administration) of the Group, drew an annual salary of more than S$100,000 but below S$150,000 during FY2016. Mr Ho Hee Tong, who is the brother of Mr Thang Teck Jong and Mr Hoe Kee Kok and information technology manager of Demarco Pte Ltd, drew an annual salary of more than S$50,000 but below S$100,000 during FY2016.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The board should present a balanced and understandable assessment of the company's performance, position and prospects.

For the financial performance reporting via the SGXNET announcement to SGX-ST, and the annual report to the shareholders, the Board has a responsibility to present a fair assessment of the Group's financial position, including the prospects of the Group.

The Board ensures that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the Group's assets.

The Management provides all members of the Board with management accounts of the Group's performance, with explanatory details on its operations on at least a half yearly basis. Board papers are given prior to any Board meeting to facilitate effective discussion and decision-making.

REPORT OF CORPORATE GOVERNANCE

Risk Management and Internal Controls

Principle 11: The board is responsible for the governance of risk. The board should ensure that management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Company does not have a risk management committee. However, the Management regularly reviews and improves the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate such risks. The Management reviews significant control policies and procedures and highlights significant matters to the Board and the AC.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The system of internal controls is supplemented by the review of the Group's internal auditors of the effectiveness of the Group's material internal controls, at least once annually. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. No significant control issues were reported by the internal auditors for FY2016.

The independent auditors, RSM Chio Lim LLP, have during the course of their audit, carried out a review of the effectiveness of key internal controls within the scope as laid out in their audit plan. No material non-compliance and internal control weaknesses were noted during their audit for FY2016.

The Company does not have chief executive officer and chief financial officer. The Board has, however, received assurance from the executive Chairman and the Group Financial Controller (a) that the financial records have been properly maintained and the financial statements for FY2016 give a true and fair view of the Group's operations and finances; and (b) that the Group has put in place and will continue to maintain a reasonably adequate and effective systems of risk management and internal controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and independent auditors, and reviews performed by the Management, various Board committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group are adequate and effective as at 31 March 2016. The Board and the AC note that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Audit Committee

Principle 12: The board should establish an audit committee with written terms of reference which clearly set out its authority and duties.

The AC, which has written terms of reference clearly setting out its authority and duties, is made up of three Directors, namely Mr Foong Daw Ching, Mr Tan Chun Chieh and Mr Hoe Kee Kok. The Chairman, Mr Foong Daw Ching and Mr Tan Chun Chieh are independent Directors.

The Board is of the view that the AC, chaired by Mr Foong Daw Ching has sufficient financial management expertise and experience to discharge the AC's functions. Mr Foong Daw Ching is by profession a Chartered Accountant and Mr Hoe Kee Kok has more than 10 years of experience in business and financial management. It is confident that the corporate governance of the Company has not been and will not be compromised by the existing composition of the AC and that the independent Directors in the AC will continue to benefit from the experience and expertise of the executive Director in the AC in carrying out their respective duties effectively.

REPORT OF CORPORATE GOVERNANCE

The AC schedules a minimum of two meetings in each financial year. The meetings are held, *inter alia*, for the following purposes:

– reviewing the announcement of the half-year and full-year results and the financial statements of the Group;

– reviewing the audit plans and reports of the independent auditors and considering the effectiveness of the actions taken by the Management on the independent auditors' recommendations;

– appraising and reporting to the Board on the audits undertaken by the independent auditors, the adequacy of disclosure of information, and the appropriateness and quality of the system of internal controls;

– reviewing the assistance and co-operation given by the Management to the independent auditors;

– discussing problems and concerns, if any, arising from the independent audits;

– nominating independent auditors for re-appointment; and

– reviewing interested person transactions, as defined in the Listing Manual of the SGX-ST.

In addition, the AC is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results or financial position, and to review the findings thereof.

The AC meets with the independent auditors and internal auditors, without the presence of the Management to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audits, and the independence, objectivity and observations of the independent auditors and the internal auditors.

The Board has on the recommendation of AC adopted a whistle-blowing procedure to allow employees to confidentially report possible improprieties which may cause financial or non-financial loss to the Group. No such whistle blowing letter was received in FY2016.

The fees paid or payable to the auditors of the Group for audit and non-audit services during FY2016 are as follows:

	Audit Services	**Non-audit Services**
Independent auditors	S$139,000	S$16,000
Other auditors	S$10,000	S$4,000

The AC confirms that it has undertaken a review of all non-audit services provided by the independent auditors and that such non-audit services would not, in the AC's opinion, affect the independence of the independent auditors. In the AC's opinion, RSM Chio Lim LLP is suitable for re-appointment and it has accordingly recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as auditors of the Company at the forthcoming AGM.

The Group has complied with Rules 712 and 715 or 716 of the Listing Manual of the SGX-ST in appointing its audit firms.

It is the Company's practice for the independent auditors to present to the AC its audit plan and with updates relating to any change in accounting standards impacting the financial statements. During FY2016, the changes in accounting standards did not have any material impact on the Group's financial statements.

REPORT OF CORPORATE GOVERNANCE

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Group outsourced its internal audit function to an external professional firm, Sam & Co.. The internal auditors report directly to the AC and administratively to the executive Directors. The objective of the internal audit function is to assess the adequacy and effectiveness of the Group's system of internal controls and compliance with the Group's policies and procedures.

During FY2016, Sam & Co. reviewed key internal controls in selected areas as detailed in the internal audit plan submitted to and approved by the AC at the beginning of the financial year. Findings and internal auditors' recommendations on areas of improvement were reported to the AC and for the Management's implementation. No significant control issues were reported by the internal auditors for FY2016.

The AC reviewed the adequacy of the internal audit function annually and is satisfied that the internal audit function is adequately resourced and has appropriate standing within the Group to perform its duties effectively.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

The Group's corporate governance practices promote fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, the Group ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNET. The Group recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in the Company.

All shareholders are entitled to attend the AGM and are afforded the opportunity to participate effectively at the AGM. The Constitution of the Company allows a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the AGM.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of the SGX-ST and the Companies Act, Cap. 50, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group.

The Company does not practise selective disclosure. Results and annual reports are announced or issued within the mandatory period.

REPORT OF CORPORATE GOVERNANCE

The Company conducts its investor relations on the following principles:

(a) Information deemed to be price-sensitive is disseminated without delay via announcements on SGXNET;

(b) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and

(c) Operate an open policy with regard to investors' enquiries.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. No dividend was paid or proposed for FY2016 as the Board feels it is prudent to retain cash resources for potential suitable investment and acquisition opportunities that may require significant capital outlay.

Conduct of Shareholder Meetings

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

All shareholders will receive the Company's annual report and notice of AGM or general meetings. Shareholders will be given the opportunity and time to voice their views and ask Directors or the Management questions regarding the Company at the forthcoming AGM or any general meetings. Resolutions of general meetings are on each substantially separate issue.

The Chairman of the Board and of each Board committee is required to be present to address questions at the AGM or, if necessary, any general meetings. The independent auditors will also be present at such meeting to assist the Directors to address shareholders' queries, if necessary. All minutes of AGM or general meetings that include substantial and relevant comments or queries from the shareholders and responses from the Board and the Management will be made available to shareholders upon their request.

The Constitution of the Company allows any member of the Company, if he or she is unable to attend the meeting, to appoint not more than two proxies to attend and vote on his or her behalf at the meeting through proxy forms sent in advance. As the authentication of shareholders' identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

The Board will adhere to the requirements of the Listing Manual of the SGX-ST where all resolutions are to be voted by poll for general meetings held on or after 1 August 2015.

Dealing in Securities

The Company has adopted policies in line with the requirements of the Listing Manual of the SGX-ST on dealings in the Company's securities.

The Company and its officers are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the date of the announcement of the full-year or half-year results and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the Company.

The Company did not enter into interested person transactions which are required for disclosure pursuant to Rule 1207(17) of the Listing Manual of the SGX-ST during FY2016.

Material Contracts and Loans

Pursuant to Rule 1207(8) of the Listing Manual of the SGX-ST, the Company confirms that except as disclosed in the Statement by Directors and audited financial statements for FY2016, there were no material contracts and loans of the Company and its subsidiaries involving the interests of the executive Directors or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2016.

1. Opinion of the directors

In the opinion of the directors,

(a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and

(b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors in office at date of statement

The directors of the company in office at the date of this statement are:

Thang Teck Jong
Hoe Kee Kok
Foong Daw Ching
Tan Chun Chieh

3. Directors' interests in shares and debentures

The directors of the company holding office at the end of the reporting year were not interested in shares in or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

	Direct interest		Deemed interest	
Name of directors and companies in which interest are held	**At beginning of the reporting year**	**At end of the reporting year**	**At beginning of the reporting year**	**At end of the reporting year**
Travelite Holdings Ltd.	**Number of shares of no par value**			
Thang Teck Jong	28,933,976	17,360,385	15,939,000	9,563,400
Hoe Kee Kok	2,353,170	1,411,902	–	–
Tan Chun Chieh	250,000	150,000	800,000	480,000

By virtue of section 7 of the Companies Act, Chapter 50, Thang Teck Jong is deemed to have an interest in all the related corporations of the company.

Pursuant to an EGM held on 24 July 2015, the company completed the consolidation of every five existing shares in the capital of the company held by shareholders of the company into three ordinary shares effective on 5 August 2015.

The directors' interests as at 21 April 2016 were the same as those at the end of the reporting year.

STATEMENT BY DIRECTORS

4. **Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures**

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

5. **Travelite performance share plan**

The Travelite Performance Share Plan ("Travelite PSP") was approved and adopted by the shareholders at an extraordinary general meeting of the company held on 16 February 2009 and shall continue to be in operation at the discretion of the Remuneration Committee, subject to a maximum duration of 10 years commencing from its adoption by shareholders and may continue beyond the stipulated period with the approval of the shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required.

Under the rules of the Travelite PSP, all confirmed full-time employees, who are not less than 21 years and have contributed to the success and development of the group shall be eligible to participate in the Travelite PSP at the absolute discretion of the Remuneration Committee. The directors of the company and employees who are controlling shareholders of the company or their associates are not eligible to participate in the Travelite PSP.

The Travelite PSP is administered by the Remuneration Committee of the company, comprising Independent Directors and an Executive Director. The members of the Remuneration Committee at the date of this report are:

Tan Chun Chieh (Chairman)
Foong Daw Ching
Hoe Kee Kok

There were no employees of the group who received 5% or more of the total number of shares or awards available under the Travelite PSP since the commencement of the Travelite PSP.

Employees are not required to pay for the grant of any awards to them under the Travelite PSP. No shares were granted under the Travelite PSP during the reporting year and 450,000 shares were granted under the Travelite PSP since the commencement of the Travelite PSP.

6. **Options**

During the reporting year, no option to take up unissued shares of the company or any subsidiary in the group was granted.

During the reporting year, there were no shares of the company or any subsidiary in the group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or any subsidiary in the group under option.

STATEMENT BY DIRECTORS

7. **Audit committee**

The members of the Audit Committee at the date of this report are as follows:

Foong Daw Ching	(Chairman of Audit Committee and Lead Independent Director)
Tan Chun Chieh	(Independent Director)
Hoe Kee Kok	(Executive Director)

The Audit Committee performs the functions specified by section 201B(5) of the Companies Act, Chapter 50. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan;

- Reviewed with the independent external auditors their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the company's officers to them;

- Reviewed with the internal auditors the scope and results of the internal audit procedures;

- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and

- Reviewed the interested person transactions (as defined in Chapter 9 of the Listing Manual of SGX).

Other functions performed by the Audit Committee are described in the report on corporate governance included in the annual report. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the company.

8. **Independent auditor**

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

9. **Directors' opinion on the adequacy of internal controls**

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, various board committees and the board, the board, with the concurrence of the audit committee, is of the opinion that the risk management and internal control systems maintained by the company, addressing financial, operational, compliance and information technology risks of the company are adequate and effective as at 31 March 2016.

STATEMENT BY DIRECTORS

10. Subsequent developments

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 25 May 2016, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Thang Teck Jong Director	Hoe Kee Kok Director

15 June 2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD. (REGISTRATION NO: 200511089K)

Report on the consolidated financial statements

We have audited the accompanying financial statements of Travelite Holdings Ltd (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD. (REGISTRATION NO: 200511089K)

Opinion

In our opinion, the consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the company as at 31 March 2016 and of the financial performance, changes in equity and cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

15 June 2016

Partner in charge of audit: Eu Chee Wei David
Effective from year ended 31 March 2012

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2016

	Notes	Group 2016 $'000	Group 2015 $'000
Revenue	5	**45,722**	46,082
Cost of sales		**(28,668)**	(31,840)
Gross profit		**17,054**	14,242
Interest income		**87**	178
Other gains	6	**1,628**	354
Marketing and distribution costs		**(11,827)**	(11,474)
Administrative expenses		**(4,832)**	(4,871)
Finance costs	7	**(215)**	(257)
Other losses	6	**(977)**	(2,538)
Share of profit from equity-accounted joint venture		**30**	37
Profit (loss) before tax from continuing operations		**948**	(4,329)
Income tax expense	9	**(200)**	(175)
Profit (loss) from continuing operations, net of tax		**748**	(4,504)
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations, net of tax	21A	**185**	112
Other comprehensive income for the year, net of tax		**185**	112
Total comprehensive income (loss)		**933**	(4,392)
Profit (loss) attributable to owners of the parent, net of tax		**407**	(4,504)
Profit attributable to non-controlling interests, net of tax		**341**	–
Profit (loss) net of tax		**748**	(4,504)
Total comprehensive income (loss) attributable to owners of the parent		**592**	(4,392)
Total comprehensive income attributable to non-controlling interests		**341**	–
Total comprehensive income (loss)		**933**	(4,392)
Earnings (loss) per share			
Earnings (loss) per share currency unit		**Cents**	Cents
Basic – continuing operations	10	**0.66**	(7.32)
Diluted – continuing operations	10	**0.66**	(7.32)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2016

	Notes	Group 2016 $'000	Group 2015 $'000	Company 2016 $'000	Company 2015 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**3,422**	3,441	**166**	206
Intangible assets	12	**346**	–	**–**	–
Investment in subsidiaries	13	**–**	–	**12,734**	14,167
Investment in associate	14	**–**	–	**–**	–
Investment in joint arrangement	15	**43**	13	**–**	–
Deferred tax assets	9	**9**	9	**–**	–
Total non-current assets		**3,820**	3,463	**12,900**	14,373
Current assets					
Inventories	16	**13,424**	11,396	**–**	–
Trade and other receivables	17	**14,333**	14,281	**901**	2,267
Other assets	18	**544**	384	**16**	21
Cash and cash equivalents	19	**11,300**	10,102	**2,925**	3,082
Total current assets		**39,601**	36,163	**3,842**	5,370
Total assets		**43,421**	39,626	**16,742**	19,743
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	20	**21,831**	21,831	**21,831**	21,831
Treasury shares		**(2)**	(387)	**(2)**	(387)
Retained earnings (accumulated losses)		**2,840**	2,433	**(5,476)**	(2,215)
Other reserves	21	**457**	106	**(82)**	–
Equity, attributable to owners of the parent, total		**25,126**	23,983	**16,271**	19,229
Non-controlling interests		**3,784**	50	**–**	–
Total equity		**28,910**	24,033	**16,271**	19,229
Non-current liabilities					
Provisions	22	**162**	130	**–**	–
Deferred tax liabilities	9	**132**	79	**–**	–
Finance leases	23	**97**	149	**32**	65
Other financial liabilities	24	**–**	42	**–**	–
Total non-current liabilities		**391**	400	**32**	65
Current liabilities					
Income tax payable		**406**	132	**7**	18
Trade and other payables	25	**8,004**	6,333	**399**	399
Finance leases	23	**163**	115	**33**	32
Other financial liabilities	24	**5,547**	8,613	**–**	–
Total current liabilities		**14,120**	15,193	**439**	449
Total liabilities		**14,511**	15,593	**471**	514
Total equity and liabilities		**43,421**	39,626	**16,742**	19,743

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2016

Group	Total Equity $'000	Attributable To Parent Sub-total $'000	Share Capital $'000	Retained Earnings $'000	Treasury Shares $'000	Other Reserves $'000	Non-Controlling Interests $'000
Current year:							
Opening balance at 1 April 2015	24,033	23,983	21,831	2,433	(387)	106	50
Movements in equity:							
Purchase of treasury shares	(64)	(64)	–	–	(64)	–	–
Acquisition of subsidiary (Note 27)	2,727	367	–	–	449	(82)	2,360
Acquisition of a non-controlling interest without a change in control (Note 27)	(367)	171	–	–	–	171	(538)
Disposal of subsidiary (Note 26B)	6	–	–	–	–	–	6
Disposal of a non-controlling interest without a change in control (Note 26A)	1,642	77	–	–	–	77	1,565
Total comprehensive income for the year	933	592	–	407	–	185	341
Closing balance at 31 March 2016	**28,910**	**25,126**	**21,831**	**2,840**	**(2)**	**457**	**3,784**
Previous year:							
Opening balance at 1 April 2014	28,375	28,375	21,831	6,937	(387)	(6)	–
Movements in equity:							
Disposal of subsidiary without a change in control (Note 26A)	50	–	–	–	–	–	50
Total comprehensive income (loss) for the year	(4,392)	(4,392)	–	(4,504)	–	112	–
Closing balance at 31 March 2015	24,033	23,983	21,831	2,433	(387)	106	50

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2016

Company	**Total Equity $'000**	**Share Capital $'000**	**Treasury Shares $'000**	**Other Reserves $'000**	**Retained Earnings/ (Accumulated Losses) $'000**
Current year:					
Opening balance at 1 April 2015	19,229	21,831	(387)	–	(2,215)
Movements in equity:					
Purchase of treasury shares	(64)	–	(64)	–	–
Acquisition of subsidiary (Note 27)	367	–	449	(82)	–
Total comprehensive loss for the year	(3,261)	–	–	–	(3,261)
Closing balance at 31 March 2016	**16,271**	**21,831**	**(2)**	**(82)**	**(5,476)**
Previous year:					
Opening balance at 1 April 2014	22,675	21,831	(387)	–	1,231
Movements in equity:					
Total comprehensive loss for the year	(3,446)	–	–	–	(3,446)
Closing balance at 31 March 2015	19,229	21,831	(387)	–	(2,215)

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2016

	Group	
	2016 $'000	2015 $'000
Cash flows from operating activities		
Profit (loss) before tax	**948**	(4,329)
Adjustments for:		
Interest income	**(87)**	(178)
Interest expense	**215**	257
Share of the profit of equity-accounted joint venture	**(30)**	–
Impairment on goodwill	**82**	1,070
Impairment on intangible assets	–	191
Depreciation of property, plant and equipment	**585**	623
Amortisation of other intangible assets	**9**	47
Property, plant and equipment written off	**2**	47
Impairment of plant and equipment	**22**	155
Gain on disposal of plant and equipment	**(42)**	(2)
Gain on disposal of subsidiaries	**(6)**	–
Provisions	**10**	12
Operating cash flows before changes in working capital	**1,708**	(2,107)
Inventories	**550**	1,982
Trade and other receivables	**1,290**	(5,605)
Other assets	**(233)**	402
Trade and other payables	**1,387**	(142)
Provisions	**(18)**	(6)
Net cash flows from (used in) operations before tax	**4,684**	(5,476)
Income taxes paid	**(36)**	(303)
Net cash flows from (used in) operating activities	**4,648**	(5,779)
Cash flows from investing activities		
Disposal of plant and equipment	**52**	89
Purchase of plant and equipment (Note 19B)	**(347)**	(400)
Disposal of subsidiary (net of cash disposed of) (Note 26B)	**(202)**	–
Acquisition of subsidiary (net of cash acquired) (Note 27)	**551**	–
Investment in joint venture company	–	(13)
Cash restricted in use	**(969)**	–
Interest received	**87**	178
Net cash flows used in investing activities	**(828)**	(146)
Cash flows from financing activities		
Partial disposal of subsidiary without loss of control (Note 26A)	–	50
Purchase of treasury shares	**(64)**	–
Finance lease repayment	**(129)**	(141)
Decrease in other financial liabilities	**(3,108)**	(1,143)
Interest paid	**(215)**	(257)
Net cash flows used in financing activities	**(3,516)**	(1,491)
Net increase (decrease) in cash and cash equivalents	**304**	(7,416)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	**10,102**	17,518
Net effect of exchange rate changes on cash and cash equivalents	**(75)**	–
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 19A)	**10,331**	10,102

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

1. GENERAL

The company is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the company (referred to as "parent") and the subsidiaries.

The board of directors approved and authorised these financial statements for issue on the date of the statements of directors.

The principal activities of the company are those of an investment holding company and the provision of management services. It is listed on SGX Mainboard which is a market on Singapore Exchange Securities Trading Limited on 24 August 2009.

The principal activities of the subsidiaries are described in Note 13.

The registered office is: 205A Kallang Bahru Singapore 339342. The company is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be made if the information is immaterial. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions, including income, expenses and cash flows are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee. Control exists when the group has the power to govern the financial and operating policies so as to gain benefits from its activities.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as available-for-sale financial assets in accordance with FRS 39.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

1. GENERAL (CONTINUED)

Basis of presentation (Continued)

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

The equity accounting method is used for associate and joint venture company in the group financial statements.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgments in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgments, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Interest is recognised using the effective interest method. Royalty revenue is accrued in accordance with the terms of the relevant agreement unless, having regard to the substance of the agreement, it is more appropriate to recognise revenue on some other systematic and rational basis.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Income tax

The income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associate except where the company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At the end of each reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. The interest expense is calculated using the effective interest rate method. Borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Segment reporting

The group discloses financial and descriptive information about its reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Property, plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties	–	Over the terms of lease that is 2.6%
Plant and equipment	–	20% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Property, plant and equipment (Continued)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 22 on non-current provisions.

Leases

Whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each measured at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each reporting year during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the reporting years in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense. Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Intangible assets (Continued)

An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Licensed brands	–	Over the remaining terms of licenses that are from 1 to 10 years
Trademarks	–	Over the remaining useful lives of 14 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associate

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with FRS 103 Business Combinations. However the entire carrying amount of the investment is tested under FRS 36 for impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in FRS 39 indicates that the investment may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Associate (Continued)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income.

Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with FRS 39 from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Joint arrangements – joint venture

A joint arrangement (that is, either a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement), is one in which the reporting entity is party to an arrangement of which two or more parties have joint control, which is the contractually agreed sharing of control of the arrangement; it exists only when decisions about the relevant activities (that is, activities that significantly affect the returns of the arrangement) require the unanimous consent of the parties sharing control. In a joint venture, the parties with joint control have rights to the net assets of the arrangement. The reporting interests in joint ventures are recognised using the equity method in accordance with FRS 28 Investments in Associates and Joint Ventures.

Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Business combinations

A business combination is a transaction or other event which requires that the assets acquired and liabilities assumed constitute a business. It is accounted for by applying the acquisition method of accounting. The cost of a business combination includes the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the acquirer, in exchange for control of the acquiree. The acquisition-related costs are expensed in the periods in which the costs are incurred and the services are received except for any costs to issue debt or equity securities are recognised in accordance with FRS 32 and FRS 39. As of the acquisition date, the acquirer recognises, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree measured at acquisition-date fair values as defined in and that meet the conditions for recognition under FRS 103. If there is gain on bargain purchase, for the gain on bargain purchase a reassessment is made of the identification and measurement of the acquiree's identifiable assets, liabilities and contingent liabilities and the measurement of the cost of the business combination and any excess remaining after this reassessment is recognised immediately in profit or loss.

Business combination achieved in stages was accounted for as separate steps. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in equity. Any additional acquired share of interest did not affect previously recognised goodwill.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Non-controlling interests

The non-controlling interests in the net assets and net results of a consolidated subsidiary are shown separately in the appropriate components of the consolidated financial statements. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with FRS 103 (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with this FRS 103.

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) are tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. When the settlement date accounting is applied, any change in the fair value of the asset to be received during the period between the trade date and the settlement date is recognised in net profit or loss for assets classified as trading.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Financial assets (Continued)

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. Financial guarantee contracts if significant are initially recognised at fair value and are subsequently measured at the greater of (a) the amount measured in accordance with FRS 37 and (b) the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with FRS 18. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Financial liabilities (Continued)

2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair value measurement

Fair value is taken to be the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (that is, an exit price). It is a market-based measurement, not an entity-specific measurement. When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements and related disclosures categorise the inputs to valuation techniques used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2A. Significant accounting policies (Continued)

Treasury shares

Where the company reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the company's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's owners and no gain or loss is recognised in profit or loss.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2B. Critical judgments, assumptions and estimation uncertainties

The critical judgments made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Net realisable value of inventories:
A review is made periodically on inventory for excess inventory and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. The review requires management to consider the future demand for the products. In any case the realisable value represents the best estimate of the recoverable amount and is based on the acceptable evidence available at the end of the reporting year and inherently involves estimates regarding the future expected realisable value. The usual considerations for determining the amount of allowance or write-down include ageing analysis, technical assessment and subsequent events. In general, such an evaluation process requires significant judgment and materially affects the carrying amount of inventories at the end of the reporting year. Possible changes in these estimates could result in revisions to the stated value of the inventories. The carrying amount of inventories at the end of the reporting year is disclosed in the Note on inventories.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONTINUED)

2B. Critical judgments, assumptions and estimation uncertainties (Continued)

Allowance for doubtful trade accounts:
An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note on trade and other receivables.

Useful lives of plant and equipment:
The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and competitor actions in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is disclosed in the Note on property, plant and equipment.

Estimated impairment of subsidiaries:
Where a subsidiary is in net equity deficit and or has suffered losses a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgment. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset affected. The carrying amount of the specific asset (or class of assets) at the end of the reporting year affected by the assumption is nil (2015: $11,287,000).

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

In these financial statements, related companies comprise subsidiaries and associates within the group and related parties comprise directors of the company, a close family member of a director of the company, key management personnel of the group, entities in which directors of the company have significant influence or control and entities in which the company has equity interest.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

There are transactions and arrangements between the group and the related companies and related parties and the effects of these on the basis determined between the related companies and related parties are reflected in these financial statements.

Intragroup transactions and balances that have been eliminated in the consolidated financial statements are not disclosed as related company transactions and balances.

The ultimate controlling party is Thang Teck Jong.

3A. Related companies:

There are transactions and arrangements between the reporting entity and related companies and the effects of these on the basis determined between the parties are reflected in these financial statements. The related company balances and financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

3B. Related parties other than related companies:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and financial guarantees if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

	Other related parties	
	2016	2015
	$'000	$'000
Administrative income[a]	**(38)**	(38)
Commission expense[b]	**16**	14
Purchases[c]	**12**	45
Rental expense[d]	**9**	–
Rental expense[e]	**87**	–

(a) The related party, Jong Fresh Supplies Pte Ltd, and the company have a common director who has significant influence.

(b) The related party is a director of an ex-subsidiary. In 2015, it was a firm belonging to the wife of an ex-subsidiary's director.

(c) The related party is a director of an ex-subsidiary.

(d) The related party is a director of the company.

(e) The related party is the ex-parent company of the newly acquired subsidiary, with whom the subsidiary has a common director.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3C. Key management compensation:

	Group 2016 $'000	Group 2015 $'000
Salaries and other short-term employee benefits	**910**	1,197

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group 2016 $'000	Group 2015 $'000
Remuneration of directors of the company	**355**	457
Fees to directors of the company	**65**	65

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management persons are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

3D. Other receivables from and other payables to related parties:

The trade transactions and trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

Group

	Related Parties 2016 $'000	Related Parties 2015 $'000
Other receivables:		
Balance at beginning of the year – net debit	**338**	10
Amounts paid out and settlement of liabilities on behalf of another party	**106**	343
Amounts paid in and settlement of liabilities on behalf of the company	**(10)**	(15)
Balance at end of the year – net debit (Notes 17 and 25)	**434**	338

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONTINUED)

3D. Other receivables from and other payables to related parties: (Continued)

Group and Company

	Director	
	2016	**2015**
	$'000	**$'000**
Other payables:		
Balance at beginning of the year	**(109)**	–
Amounts paid out and settlement of liabilities on behalf of another party	**109**	–
Amounts paid in and settlement of liabilities on behalf of the company	**–**	(109)
Balance at end of the year (Note 25)	**–**	(109)

Company

	Subsidiaries	
	2016	**2015**
	$'000	**$'000**
Other receivables:		
Balance at beginning of the year – net debit	**1,170**	400
Amounts paid out and settlement of liabilities on behalf of another party	**1,868**	2,881
Amounts paid in and settlement of liabilities on behalf of the company	**(1,418)**	(752)
Foreign exchange adjustments	**(83)**	(60)
Provision for impairment	**(1,409)**	(1,299)
Balance at end of the year – net debit (Notes 17 and 25)	**128**	1,170

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets and liabilities

Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by FRS 108 Operating Segments. This disclosure standard has no impact on the reported results or financial position of the group.

The group deals in luggage bags, travelling accessories, travel bags, winter wear, small leather goods, garments and related products, handbags and footwear and related products, fashion apparels and related products, knitwears, wallets and all types of leather goods. For management purposes, the group's operating businesses are organised by distribution channels. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information. They are managed separately because each business requires different strategies.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4A. Information about reportable segment profit or loss, assets and liabilities (Continued)

(a) Departmental stores – This segment includes major departmental store operators in Singapore and Malaysia;
(b) Specialty stores – This segment includes shops operated by the group and sells mainly the group's merchandise;
(c) Third party retailers – This segment includes independent retailers;
(d) Wholesale distribution – This segment mainly refers to the group's export markets; and
(e) Gift and corporate sales – This segment includes customers who are mainly credit card companies which purchase for their gift redemption/reward programmes purposes, and corporate customers purchasing for corporate promotional activities.

Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment assets consist principally of trade receivables, inventories and plant and equipment that are directly attributable to a segment.

Unallocated items comprise cash and cash equivalents, other receivables, property, plant and equipment, intangible assets, deferred tax assets, other assets, provision, other financial liabilities, trade and other payables, income tax payable, finance leases, deferred tax liabilities, interest income, finance costs, certain marketing and distribution costs, certain administrative expenses, certain other gains and other losses, share of profit from equity-accounted joint venture and income tax expense.

4B. Profit or loss from continuing operations and reconciliations

Continuing Operations 2016	Departmental stores $'000	Specialty stores $'000	Third party retailers $'000	Wholesale distribution $'000	Gifts & corporate sales $'000	Unallocated $'000	Group total $'000
Revenue	27,656	2,458	1,776	10,949	2,883	-	45,722
Operating profit (loss)	1,010	(712)	206	710	633	-	1,847
Interest income							87
Other gains							1,102
Other losses							(858)
Finance costs							(215)
Share of profit from equity-accounted joint venture							30
Unallocated operating expenses							(1,045)
Income tax expense							(200)
Profit from continuing operations, net of tax							748

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4B. Profit or loss from continuing operations and reconciliations (Continued)

Continuing Operations 2015	Departmental stores $'000	Specialty stores $'000	Third party retailers $'000	Wholesale distribution $'000	Gifts & corporate sales $'000	Unallocated $'000	Group total $'000
Revenue	25,668	2,352	2,110	13,691	2,261	–	46,082
Operating profit (loss)	728	(1,040)	118	(1,066)	(27)	–	(1,287)
Interest income							178
Other gains							360
Other losses							(2,028)
Finance costs							(257)
Share of profit from equity-accounted joint venture							37
Unallocated operating expenses							(1,332)
Income tax expense							(175)
Loss from continuing operations, net of tax							(4,504)

4C. Assets and reconciliations

	Departmental stores $'000	Specialty stores $'000	Third party retailers $'000	Wholesale distribution $'000	Gifts & corporate sales $'000	Unallocated $'000	Group total $'000
2016							
Total assets for reportable segments	**8,215**	**1,313**	**659**	**9,078**	**300**	–	**19,565**
Unallocated assets:							
Property, plant and equipment	–	–	–	–	–	**2,987**	**2,987**
Inventories	–	–	–	–	–	**7,959**	**7,959**
Cash and cash equivalents	–	–	–	–	–	**11,300**	**11,300**
Other unallocated assets	–	–	–	–	–	**1,610**	**1,610**
Total group assets	**8,215**	**1,313**	**659**	**9,078**	**300**	**23,856**	**43,421**
2015							
Total assets for reportable segments	7,105	655	376	8,144	1,353	–	17,633
Unallocated assets:							
Property, plant and equipment	–	–	–	–	–	2,746	2,746
Inventories	–	–	–	–	–	6,686	6,686
Cash and cash equivalents	–	–	–	–	–	10,102	10,102
Other unallocated assets	–	–	–	–	–	2,459	2,459
Total group assets	7,105	655	376	8,144	1,353	21,993	39,626

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4D. Liabilities and reconciliations

	2016 $'000	2015 $'000
Unallocated liabilities:		
Trade and other payables	**8,004**	6,333
Other financial liabilities	**5,547**	8,655
Other liabilities	**960**	605
Total group liabilities	**14,511**	15,593

4E. Other material items and reconciliations

	Departmental stores $'000	Specialty stores $'000	Third party retailers $'000	Unallocated $'000	Group total $'000
2016					
Capital expenditure	**140**	**108**	–	**224**	**472**
Significant non-cash items:					
Depreciation of property, plant and equipment	**131**	**60**	**6**	**388**	**585**
Impairment of plant and equipment	**22**	–	–	–	**22**
Impairment on goodwill	–	–	–	**82**	**82**
Amortisation of other intangible assets	–	–	–	**9**	**9**
2015					
Capital expenditure	161	5	–	334	500
Significant non-cash items:					
Depreciation of property, plant and equipment	168	63	6	386	623
Impairment of plant and equipment	139	16	–	–	155
Impairment on goodwill	–	–	–	1,070	1,070
Amortisation of other intangible assets	47	–	–	–	47

4F. Geographical information

	Revenue		Non-Current Assets	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Singapore	**32,556**	28,192	**3,726**	3,417
Malaysia	**8,990**	13,821	**42**	24
Indonesia	**3,462**	3,241	–	–
Others	**714**	828	**43**	13
	45,722	46,082	**3,811**	3,454

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONTINUED)

4F. Geographical information (Continued)

The group's main operations are located in Singapore and Malaysia.

Revenues are attributed to countries on the basis of customer's location, irrespective of the origin of the goods and services. The non-current assets, excluding deferred tax assets, are analysed by the geographical area in which the assets are located. The non-current assets exclude any financial instruments and deferred tax assets.

4G. Information about major customers

	Group	
	2016	2015
	$'000	$'000
Top 1 customer in wholesale distribution (2015: departmental stores) segment	**6,758**	4,993
Top 2 customers in departmental stores segment	**12,115**	8,106

5. REVENUE

	Group	
	2016	2015
	$'000	$'000
Sale of goods	**44,946**	45,341
Royalty income	**776**	741
	45,722	46,082

6. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2016	2015
	$'000	$'000
Allowance for impairment on trade receivables	**(97)**	(260)
Amortisation of other intangible assets	**(9)**	(47)
Foreign exchange adjustment losses	**(754)**	(768)
Gain on disposal of plant and equipment	**42**	2
Government grants received	**522**	352
Impairment on goodwill (Note 12A)	**(82)**	(1,070)
Impairment on intangible assets	**-**	(191)
Impairment loss on plant and equipment	**(22)**	(155)
Inventories written off	**(11)**	-
Gain on disposal of subsidiary (Note 26B)	**6**	-
Plant and equipment written off	**(2)**	(47)
Reversal of impairment on inventories (Note 16)	**1,058**	-
Net	**651**	(2,184)
Presented in profit or loss as:		
Other gains	**1,628**	354
Other losses	**(977)**	(2,538)
Net	**651**	(2,184)

7. FINANCE COSTS

	Group	
	2016	2015
	$'000	$'000
Interest expense	**215**	257

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2016	2015
	$'000	$'000
Employee benefits expense[a]	**9,048**	8,999
Contributions to defined contribution plans	**1,457**	1,309
Other benefits	**431**	374
Total employee benefits expense	**10,936**	10,682

(a) Includes government grants income totalling $522,000 (2015: $266,000).

The employee benefits expense is included in:

	Marketing and Distribution Costs $'000	Administrative Expenses $'000	Other Gains $'000	Total $'000
2016	**8,289**	**3,169**	**(522)**	**10,936**
2015	7,697	3,251	(266)	10,682

9. INCOME TAX

9A. Components of tax expense (income) recognised in profit or loss include:

	Group	
	2016	2015
	$'000	$'000
Current tax expense:		
Current tax expense	**272**	90
(Over) under adjustments to current tax in respect of prior periods	**(65)**	90
Sub-total	**207**	180
Deferred tax income		
Deferred tax income	**(7)**	(5)
Sub-total	**(7)**	(5)
Total income tax expense	**200**	175

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

9. INCOME TAX (CONTINUED)

9A. Components of tax expense (income) recognised in profit or loss include: (Continued)

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2015: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2016	**2015**
	$'000	**$'000**
Profit (loss) before tax	**948**	(4,329)
Less: Share of profit from equity-accounted joint venture	**(30)**	(37)
	918	(4,366)
Income tax expense (benefit) at the above rate	**156**	(742)
Expenses not deductible for tax purposes	**242**	388
Stepped income exemptions	**(113)**	(52)
Effect of different tax rates in different countries	**79**	(102)
(Over) under adjustments to tax in respect of prior periods	**(65)**	90
Deferred tax assets (utilised) not recognised	**(168)**	435
Withholding tax paid, net of double tax relief	**79**	72
Other minor items less than 3% each	**(10)**	86
Total income tax expense	**200**	175

There are no income tax consequences of dividends to owners of the company.

9B. Deferred tax expense (income) recognised in profit or loss includes:

	Group	
	2016	**2015**
	$'000	**$'000**
Excess of net book value of property, plant and equipment over tax value	**(43)**	(8)
Other intangible assets and fair value adjustment to depreciable properties arising from acquisition of subsidiaries	**(7)**	(7)
Excess of tax value of property, plant and equipment over net book value	**(52)**	-
Unabsorbed capital allowances	**14**	(13)
Tax loss carryforwards	**113**	(434)
Provisions	**136**	22
Deferred tax assets (utilised) not recognised	**(168)**	435
Total deferred income tax income recognised in profit or loss	**(7)**	(5)

9. INCOME TAX (CONTINUED)

9C. Deferred tax balance in the statement of financial position:

	Group	
	2016 $'000	2015 $'000
Deferred tax (liabilities) assets recognised in profit or loss:		
Excess of net book value of property, plant and equipment over tax value	**(28)**	(71)
Other intangible assets and fair value adjustment to depreciable properties arising from acquisition of subsidiaries	**(112)**	(59)
Excess of tax value of property, plant and equipment over net book value	**52**	–
Unabsorbed capital allowances	**329**	343
Tax loss carryforwards	**1,588**	1,701
Provisions	**190**	326
Deferred tax assets not recognised	**(2,142)**	(2,310)
Total	**(123)**	(70)
Presented in the statement of financial position as:		
Deferred tax liabilities	**(132)**	(79)
Deferred tax assets	**9**	9
Net position	**(123)**	(70)

There is no deferred tax at the company level.

It is impracticable to estimate the amount expected to be settled or used within one year.

Temporary differences arising in connection with interests in subsidiaries and associate are insignificant.

The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

10. EARNINGS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted (loss) earnings per share of no par value:

	Group	
	2016	**2015**
	$'000	**$'000**
A. Numerators: earnings (loss) attributable to equity:		
Continuing operations: attributable to equity holders	**407**	(4,504)
B. Denominators: weighted average number of equity shares:	**'000**	'000
Basic	**61,642**	61,571

The weighted average number of equity shares refers to shares in circulation during the reporting period. It is after the neutralization of the treasury shares. See also Note 20 on share consolidation.

The weighted average number of ordinary shares outstanding during the year and for all years presented are adjusted for events that have changed the number of ordinary shares outstanding without a corresponding change in resources. The number of ordinary shares outstanding before the event is adjusted for the proportionate change in the number of ordinary shares outstanding as if the event had occurred at the beginning of the earliest year presented. The disclosures for reporting year 2015 have been revised accordingly because the share consolidation was without consideration, it is treated as if it had occurred before the beginning of reporting year 2015, the earliest period presented.

The company and group do not have any discontinued operations.

There is no dilution of loss per share as there are presently no dilutive shares outstanding as at the end of the reporting year. The denominators used are the same as those detailed above for both basic and diluted earnings (loss) per share.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Leasehold properties $'000	Plant and equipment $'000	Total $'000
Cost:			
At 1 April 2014	5,413	5,514	10,927
Additions	–	500	500
Disposals	–	(579)	(579)
Foreign exchange adjustments	–	(32)	(32)
At 31 March 2015	5,413	5,403	10,816
Additions	–	472	472
Arising from acquisition of subsidiary	–	789	789
Disposals	–	(706)	(706)
Foreign exchange adjustments	–	(51)	(51)
At 31 March 2016	5,413	5,907	11,320
Accumulated depreciation and impairment:			
At 1 April 2014	2,782	4,290	7,072
Depreciation for the year	153	470	623
Impairment for the year	–	155	155
Disposals	–	(445)	(445)
Foreign exchange adjustments	–	(30)	(30)
At 31 March 2015	2,935	4,440	7,375
Depreciation for the year	153	432	585
Impairment for the year	–	22	22
Arising from acquisition of subsidiary	–	659	659
Disposals	–	(694)	(694)
Foreign exchange adjustments	–	(49)	(49)
At 31 March 2016	3,088	4,810	7,898
Net book value:			
At 1 April 2014	2,631	1,224	3,855
At 31 March 2015	2,478	963	3,441
At 31 March 2016	2,325	1,097	3,422

Allocation of the depreciation expense and impairment loss:

	Group	
	2016 $'000	2015 $'000
Marketing and distribution costs	**239**	281
Administrative expenses	**346**	342
Other losses	**22**	155
Total	**607**	778

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

11. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

During the reporting year, plant and equipment amounting to $22,000 (2015: $155,000) from loss-making outlets were impaired.

Company

	Plant and equipment $'000
Cost:	
At 1 April 2014	284
Additions	206
Disposals	(162)
At 31 March 2015	328
Additions	3
Disposals	(77)
At 31 March 2016	254
Accumulated depreciation:	
At 1 April 2014	184
Depreciation for the year included under administrative expenses in profit or loss	35
Disposals	(97)
At 31 March 2015	122
Depreciation for the year included under administrative expenses in profit or loss	43
Disposals	(77)
At 31 March 2016	88
Net book value:	
At 1 April 2014	100
At 31 March 2015	206
At 31 March 2016	166

Certain items are under finance lease agreements (Note 23).

12. INTANGIBLE ASSETS

	Group 2016 $'000	2015 $'000
Goodwill (Note 12A)	–	–
Other intangible assets (Note 12B)	**346**	–
Total	**346**	–

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

12. INTANGIBLE ASSETS (CONTINUED)

12A. Goodwill

	Group	
	2016 $'000	2015 $'000
Cost:		
Balance at beginning of the year	**1,470**	1,470
Arising from acquisition of subsidiary (Note 27)	**82**	–
Balance at end of the year	**1,552**	1,470
Accumulated impairment:		
Balance at beginning of the year	**1,470**	400
Impairment loss recognised in the year included in other losses (Note 6)	**82**	1,070
Balance at end of the year	**1,552**	1,470
Net book value at end of the year	**–**	–

Goodwill is allocated to cash-generating units for the purpose of impairment testing. No disclosure on the allocation of goodwill to each primary reporting segment is made as the amounts are not reliably determinable.

The goodwill was tested for impairment as at 31 March 2016 and it has been written down.

12B. Other intangible assets

Group	Licensed brands $'000	Trademarks $'000	Total $'000
Cost:			
At 1 April 2014 and 31 March 2015	509	652	1,161
Arising from acquisition of subsidiary (Note 27)	355	–	355
At 31 March 2016	864	652	1,516
Accumulated amortisation:			
At 1 April 2014	465	458	923
Amortisation for the year	24	23	47
Impairment for the year	20	171	191
At 31 March 2015	509	652	1,161
Amortisation for the year	9	–	9
At 31 March 2016	518	652	1,170
Net book value:			
At 1 April 2014	44	194	238
At 31 March 2015	–	–	–
At 31 March 2016	346	–	346

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

12. INTANGIBLE ASSETS (CONTINUED)

12B. Other intangible assets (Continued)

The amortisation and impairment expenses are charged to profit or loss under other losses.

Trademarks include the Brentwood trademark which was acquired by a subsidiary, YG Marketing Pte. Ltd. in 2002 and a registered trademark, U.R.S & Inc. owned by another subsidiary, SYI Co (Pte) Ltd. The impairment test was performed together with the impairment test for goodwill (Note 12A). The Brentwood trademark is used on menswear and apparel manufactured and sold by YG Marketing Pte. Ltd. The U.R.S & Inc. trademark is applied to women's handbags and footwear in a number of countries.

13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2016	2015
	$'000	$'000
Movements during the year:		
Balance at the beginning of the year	**20,973**	20,973
Less deemed disposals (Note 26A)	**(1,433)**	-
Less allowance for impairment	**(6,806)**	(6,806)
Balance at end of the year	**12,734**	14,167
Net book value of subsidiaries	**19,672**	15,930
Total cost comprising:		
Unquoted equity shares at cost	**19,540**	20,973
Allowance for impairment	**(6,806)**	(6,806)
Balance at end of the year	**12,734**	14,167
Movements in above allowance:		
Balance at beginning of the year	**6,806**	4,657
Impairment loss charge to profit or loss included in other losses of company	-	2,149
Balance at end of the year	**6,806**	6,806

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

The subsidiaries held by the company and the group are listed below:

Name of Subsidiaries, Country of Incorporation, Place of Operations and Principal Activities and Independent Auditors	Cost in Books of Group		Effective Percentage of Equity Held by Group	
	2016 $'000	2015 $'000	2016 %	2015 %
Demarco Pte Ltd[(a)] Singapore Importers, exporters, manufacturers and wholesalers of luggage bags and travelling accessories	**2,880**	2,880	**100**	100
YG Marketing Pte. Ltd.[(a)(f)] Singapore Trading in garments and other related products	**13,004**	14,437	**87.3**	100
Yangtzekiang Industries Sdn. Bhd.[(b)] Malaysia Trading in garments, wholesale and retailing of fashion apparels and related products Crowe Horwath Malaysia	**3,325**	3,325	**100**	100
SYI Co (Pte) Ltd[(a)] Singapore Franchisor of U.R.S & Inc. trademark	**331**	331	**100**	100
Fashion Way Sdn. Bhd.[(b)] Malaysia Sale and distribution of footwear, knitwear, wallets and all types of leather goods Crowe Horwath Malaysia	**–[(e)]**	–[(e)]	**100**	100
Held by Demarco Pte Ltd XQ Studio Pte. Ltd.[(c)] Singapore Distribution and sublicensing	-	50	-	50
Held by YG Marketing Pte Ltd Singapore Crocodile (1968) Pte Ltd[(a)(d)] Singapore Wholesale and retailing of ready-made apparel	**2,808**	–	**52.4**	–
Held by Yangtzekiang Industries Sdn. Bhd. YGM Marketing Sdn. Bhd.[(b)] Malaysia Dormant Crowe Horwath Malaysia	**2,087**	2,087	**100**	100

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

(a) Audited by RSM Chio Lim LLP.

(b) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. Their names are indicated above.

(c) Unaudited management accounts were used as it is immaterial. The subsidiary was disposed of during the reporting year. See Note 26B.

(d) The subsidiary was acquired during the reporting year. See Note 27.

(e) Cost of investment less than $1,000. The subsidiary is not significant.

(f) The group's interest was reduced from 100% to 87.3% during the reporting year. See Note 26A.

As required by Rule 716 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the company have satisfied themselves that the appointment of different auditors for its overseas subsidiaries would not compromise the standard and the effectiveness of the audit of the group.

There are subsidiaries that have non-controlling interests that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below.

	Group	
	2016	**2015**
	$'000	**$'000**
Name of the subsidiary: YG Marketing Pte Ltd		
Total comprehensive income allocated to non-controlling interests during the reporting year	**107**	–
Carrying value of non-controlling interests at the end of the reporting year	**(1,304)**	–

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

Current assets	**12,058**	–
Non-current assets	**5,197**	–
Current liabilities	**(4,170)**	–
Non-current liabilities	**(99)**	–
Revenues	**18,539**	–
Profit for the reporting year	**57**	–
Total comprehensive income	**57**	–
Operating cash flows, increase	**2,386**	–
Net cash flows, increase	**798**	–

13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

	Group	
	2016 $'000	2015 $'000
Name of the subsidiary: Singapore Crocodile (1968) Pte Ltd		
Total comprehensive income allocated to non-controlling interests during the reporting year	290	–
Carrying value of non-controlling interests at the end of the reporting year	(2,480)	–

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

	2016 $'000	2015 $'000
Current assets	5,837	–
Non-current assets	189	–
Current liabilities	(1,068)	–
Non-current liabilities	(50)	–
Revenues	3,211	–
Profit for the reporting year	488	–
Total comprehensive income	488	–
Operating cash flows, increase	1,142	–
Net cash flows, increase	378	–

14. INVESTMENT IN ASSOCIATE

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Carrying value:				
Unquoted equity shares at cost	59	59	–	–
Share of post-acquisition loss	(59)	(59)	–	–
	–	–	–	–
Share of net book value of associate	–	–	–	–
Analysis of above amount denominated in non-functional currency:				
China Renminbi	–	–	–	–

14. INVESTMENT IN ASSOCIATE (CONTINUED)

The associate held by one of the subsidiaries is listed below:

Name of Associate, Country of Incorporation, Place of Operations, Principal Activity	Percentage of Equity Held by Group	
	2016	2015
	%	%
Beijing U-Sibei Trading Co., Ltd People's Republic of China Trading in garments, wholesale of fashion apparels and related products Dormant during the year	**45**	45

The summarised financial information of the associate, not adjusted for the percentage ownership held by the group, is as follows:

	Assets $'000	Liabilities $'000	Revenue $'000	Loss $'000
2012				
Beijing U-Sibei Trading Co., Ltd	48	–	1	56

Equity accounted based on unaudited management accounts as the associate is not material. The statutory reporting year end is 31 December.

No management accounts were available as an application has been filed with the Chinese authorities to de-register the associate since May 2011. As at 31 March 2016, the management is still working with the joint venture partner to complete the deregistration. Management is of the view that there are no further expenses arising from the deregistration.

15. INVESTMENT IN JOINT ARRANGEMENT

	Group	
	2016 $'000	2015 $'000
Carrying value:		
Unquoted equity shares at cost	**13**	13
Share of post-acquisition profit	**30**	–
	43	13
Share of net book value of joint arrangement	**43**	13
Analysis of above amount denominated in non-functional currency:		
United States Dollars	**43**	13

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

15. INVESTMENT IN JOINT ARRANGEMENT (CONTINUED)

The information on the joint arrangement is given below:

Name of Joint Arrangement, Country of Incorporation, Place of Operations, Principal Activity	Percentage of Equity Held by Group 2016 %	2015 %
Global Brands Studio Co., Ltd.[(a)] Kingdom of Cambodia Trading in luggage, travel bags and accessories, apparels and other related products.	**50**	50

(a) Not audited as relieved from the requirement to prepare and lodge an audited financial report with the local authorities.

(b) During the reporting year ended 31 March 2015, a subsidiary of the group and a local individual in Cambodia agreed to combine their resources by establishing a separate vehicle ("GBS"). GBS's legal form is that it causes the separate vehicle to be considered in its own right. The memorandum and articles of association of GBS established joint control of the activities of GBS. The joint arrangement is carried out through a separate vehicle whose legal form confers separation between the parties and the separate vehicle and the parties have rights to the net assets of GBS. The parties recognise their rights to the net assets of GBS as investments and account for them using the equity method. The Group holds an effective 50% in GBS.

The joint arrangement is considered not material to the reporting entity. The summarised financial information of the joint arrangement, not adjusted for the percentage ownership held by the group, is as follows:

	Group 2016 $'000	2015 $'000
Profit	**60**	–
Other comprehensive income	**–**	–
Total comprehensive income	**60**	–
Net assets of the joint arrangement	**86**	26

There are no significant restrictions on the ability of the joint arrangement to transfer funds to the reporting entity in the form of cash dividends.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

16. INVENTORIES

	Group	
	2016 $'000	2015 $'000
Finished goods and goods for resale	**13,424**	11,396
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	**1,523**	1,553
Reversed to profit or loss included in other gains (Note 6)	**(1,058)**	–
Arising from acquisition of subsidiary	**1,005**	–
Foreign exchange adjustments	**(52)**	(30)
Balance at end of the year	**1,418**	1,523
The amount of inventories included in cost of sales	**28,227**	30,394

Certain inventories were purchased under trust receipts (Note 24).

The reversal of allowance stemmed from clearance of old stocks at warehouse sales.

17. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Trade receivables:				
Outside parties	**12,319**	13,020	–	–
Less allowance for impairment – outside parties	**(374)**	(277)	–	–
Related parties (Note 3)	**368**	385	–	–
Less allowance for impairment – related parties	**(249)**	(254)	–	–
Subsidiaries (Note 3)	–	–	**589**	1,128
Less allowance for impairment – subsidiaries	–	–	**(152)**	(103)
Sub-total	**12,064**	12,874	**437**	1,025
Other receivables:				
Subsidiaries (Note 3)	–	–	**4,173**	3,603
Less allowance for impairment – subsidiaries	–	–	**(3,842)**	(2,433)
Related parties (Note 3)	**434**	343	–	–
Deposits to secure services	**655**	490	**2**	–
Staff advances	**18**	14	–	–
Income tax refundable	**5**	–	–	–
Other receivables	**1,167**	570	**131**	72
Less allowance for impairment – outside parties	**(10)**	(10)	–	–
Sub-total	**2,269**	1,407	**464**	1,242
Total trade and other receivables	**14,333**	14,281	**901**	2,267
Movements in above allowances:				
Balance at beginning of the year	**541**	261	**2,536**	1,229
Charge for trade and other receivables to profit or loss included in other losses	**97**	260	**1,458**	1,307
Foreign exchange adjustments	**(5)**	20	–	–
Balance at end of the year	**633**	541	**3,994**	2,536

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

18. OTHER ASSETS

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Prepayments	**544**	384	**16**	21

19. CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Not restricted in use	**10,331**	10,102	**2,656**	3,082
Cash restricted in use over 3 months	**969**	–	**269**	–
Cash at end of the year	**11,300**	10,102	**2,925**	3,082

	Group	
	2016 $'000	2015 $'000
Interest earning balances	**3,152**	6,298

The rate of interest for the cash on interest earning balances ranged from 0.7% – 3.45% (2015: 0.7% – 3.45%) per annum.

19A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2016 $'000	2015 $'000
As shown above	**11,300**	10,102
Cash restricted in use over 3 months	**(969)**	–
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	**10,331**	10,102

19B. Non-cash transactions:

There were acquisitions of plant and equipment with a total cost of $125,000 (2015: $100,000) acquired by means of finance leases.

See also Note 26A.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

20. SHARE CAPITAL

	Number of shares issued '000	Share capital $'000
Group and Company		
Balance at 1 April 2014 and 31 March 2015	105,177	21,831
Share consolidation	(42,071)	–
Balance at 31 March 2016	63,106	21,831

The ordinary shares of no par value are fully paid, carry one vote each and have no right to fixed income.

	Number of treasury shares		Cost	
	2016 '000	**2015 '000**	**2016 $'000**	**2015 $'000**
Number at beginning of the year	**2,558**	2,558	**387**	387
Share consolidation	**(1,023)**	–	**–**	–
	1,535	2,558	**387**	387
Treasury shares purchased	**306**	–	**64**	–
Reissued for transfer	**(1,833)**	–	**(367)**	–
Loss on reissuance taken to other reserves (Note 21C)	**–**	–	**(82)**	–
Number at end of the year	**8**	2,558	**2**	387

Share consolidation – During the reporting year a share consolidation exercise was made to facilitate compliance with the continuing listing requirement imposed by SGX-ST for issuers listed on the SGX Mainboard to have a minimum trading price per share of S$0.20. Under this arrangement every five (5) shares were consolidated into three (3) consolidated shares. The share consolidation does not involve the diminution of any liability in respect of any unpaid capital or the payment to any shareholder of any paid-up capital and has no effect on the equity of the company and the subsidiaries.

On 27 January 2016, the company purchased 306,000 ordinary shares pursuant to the Share Buy Back Mandate for a consideration of $64,000.

On 7 March 2016, the company transferred 1,833,000 treasury shares at $366,600 to the vendor of Singapore Crocodile (1968) Pte Ltd for the acquisition of additional 10% interest by a subsidiary (Note 27).

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the registrars frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

20. SHARE CAPITAL (CONTINUED)

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

	2016 $'000	2015 $'000
Net debt:		
All current and non-current borrowings including finance leases	**(5,807)**	(8,919)
Less cash and cash equivalents	**11,300**	10,102
Net cash	**5,493**	1,183
Net capital:		
Equity	**28,910**	24,033
Debt-to-adjusted capital ratio	**N.M.**	N.M.

N.M. denotes not meaningful.

21. OTHER RESERVES

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Foreign currency translation reserve (Note 21A)	**291**	106	**-**	-
Gain on acquisition/disposal of non-controlling interests (Note 21B)	**248**	-	**-**	-
Loss on reissuance of treasury shares (Note 21C)	**(82)**	-	**(82)**	-
	457	106	**(82)**	-

21. OTHER RESERVES (CONTINUED)

21A. Foreign currency transaction reserve:

	Group	
	2016	2015
	$'000	$'000
At beginning of the year	**106**	(6)
Exchange difference on translating foreign currencies	**185**	112
At end of the year	**291**	106

The currency translation reserve accumulates all foreign exchange differences and is not available for cash dividends until realised.

21B. Gain on acquisition/disposal of non-controlling interests:

	Group	
	2016	2015
	$'000	$'000
At beginning of the year	**–**	–
Disposal of a non-controlling interest without a change in control	**77**	–
Acquisition of a non-controlling interest without a change in control	**171**	–
At end of the year	**248**	–

The gain arose from: (a) the deemed disposal of a subsidiary (see Note 26A), the difference between (i) the adjusted carrying amount of non-controlling interests to reflect the change in their relative interest in the subsidiary; and (ii) the fair value of the consideration received from the disposal, of $77,000; and (b) the acquisition of additional 10% equity interest in a subsidiary without change in control (see Note 27), the excess of share of net identifiable assets over purchase consideration, of $171,000. This is not available for cash dividends until realised.

21C. Loss on reissuance of treasury shares:

	Group and Company	
	2016	2015
	$'000	$'000
At beginning of the year	**–**	–
Loss on reissuance of treasury shares	**(82)**	–
At end of the year	**(82)**	–

The company reissued 1,833,000 (2015: nil) treasury shares during the reporting year pursuant to the acquisition of a subsidiary at an average fair value of $0.20 (2015: nil) per share. The excess of the weighted average cost of $0.245 (2015: nil) per share over the average fair value of $0.20 (2015: nil) per share was recognised in this reserve.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

22. PROVISIONS

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Provision for dismantling and removing the item and restoring the site relating to plant and equipment	**162**	130	–	–
Movements in above provision:				
Balance at beginning of the year	**130**	124	–	–
Additions	**10**	12	–	–
Arising from acquisition of subsidiary (Note 27)	**40**	–	–	–
Used	**(18)**	(6)	–	–
Balance at end of the year	**162**	130	–	–

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased properties. The estimate is based on quotations from external contractors. The unexpired terms range from 1 to 3 years.

23. FINANCE LEASES

Group	Minimum payments $'000	Finance charges $'000	Present value $'000
2016			
Minimum lease payments payable:			
Due within one year	**177**	**(14)**	**163**
Due within 2 to 5 years	**104**	**(7)**	**97**
Total	**281**	**(21)**	**260**
Net book value of plant and equipment under finance leases			**421**
2015			
Minimum lease payments payable:			
Due within one year	126	(11)	115
Due within 2 to 5 years	158	(9)	149
Total	284	(20)	264
Net book value of plant and equipment under finance leases			396

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

23. FINANCE LEASES (CONTINUED)

Company	Minimum payments $'000	Finance charges $'000	Present value $'000
2016			
Minimum lease payments payable:			
Due within one year	**35**	**(2)**	**33**
Due within 2 to 5 years	**33**	**(1)**	**32**
Total	**68**	**(3)**	**65**
Net book value of plant and equipment under finance leases			**161**
2015			
Minimum lease payments payable:			
Due within one year	36	(4)	32
Due within 2 to 5 years	68	(3)	65
Total	104	(7)	97
Net book value of plant and equipment under finance leases			202

These are leases for certain of its plant and equipment under finance leases. The average lease terms range is 2 to 5 years (2015: 3 to 5 years). The effective borrowing rate ranged from 3.4% to 4.9% (2015: 3.4% to 4.9%) per year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The obligations under finance leases are secured by the lessor's charge over the leased assets.

The carrying amount of the lease liabilities is not significantly different from the fair value.

24. OTHER FINANCIAL LIABILITIES

	Group 2016 $'000	Group 2015 $'000
Non-current:		
Bank loan (Note 24A)	-	42
Non-current, total	-	42
Current:		
Bank loan (Note 24A)	**42**	168
Bills payable to banks (Note 24B)	**5,505**	8,445
Current, total	**5,547**	8,613
Total	**5,547**	8,655
The non-current portion is repayable as follows:		
Due within 2 to 5 years	-	42
Total non-current portion	-	42

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

24. OTHER FINANCIAL LIABILITIES (CONTINUED)

The bank loan is at a fixed rate of 3% (2015: 3%) per annum.

The range of floating interest rates paid was as follows:

	Group	
	2016	2015
	%	%
Bills payable to banks	**2.57 – 3.32**	1.82 – 2.96

The floating rate debt instruments are with interest rates that are re-set regularly at one, three or six month intervals.

24A. Bank loan

The bank loan of a subsidiary is covered by corporate guarantee from the company.

24B. Bills payable to banks

The bills payable (including trust receipts) are covered by corporate guarantees from the company as well as negative pledge on the assets of a subsidiary.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2016	2015	2016	2015
	$'000	$'000	$'000	$'000
Trade payables:				
Outside parties and accrued liabilities	**8,004**	6,219	**196**	290
Other payables:				
Subsidiary (Note 3)	–	–	**203**	–
Director (Note 3)	–	109	–	109
Related party (Note 3)	–	5	–	–
Sub-total	–	114	**203**	109
Total trade and other payables	**8,004**	6,333	**399**	399

26. DILUTION OF INVESTMENT IN A SUBSIDIARY/DISPOSAL OF SUBSIDIARY

26A. Dilution of investment in a subsidiary

2016
During the reporting year, a subsidiary, YG Marketing Pte Ltd ("YG") increased its issued and paid up capital from $10,000,000 to $11,641,570 by way of allotment and issue of 1,454,390 shares to two outside parties ("transaction").

The share issuance was utilised as partial settlement for the purchase of goods and acquisition of a subsidiary amounting to $400,000 and $1,242,000 (Note 27) respectively. There are no monetary values involved in the books of the subsidiary.

The transaction reduced the company's equity interest in YG from 100% to 87.3%. Changes in the ownership interest in a subsidiary that do not result in losing control are accounted for as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

2015
On 17 November 2014, the group, along with XQ Studio Pte Ltd ("XQ"), entered into a shareholders agreement ("Agreement") with an outside individual.

Pursuant to the Agreement:

(a) XQ increased its issued and paid-up capital from $2 to $100,000 by way of an allotment and issue of 99,998 shares. Out of the 99,998 shares, 50,000 were allotted and issued to the aforementioned outside party ("Deemed Disposal");

(b) The Group has the power to govern the financial and operating policies of XQ and;

(c) XQ's chairman of the board of the directors is one of the directors in the Group or can be any such person appointed by the Group.

No gain or loss arose from the Deemed Disposal as there was no change in control held by the Group.

26B. Disposal of subsidiary

2016
A subsidiary, XQ Studio Pte Ltd was disposed of on 8 January 2016 for $1.

The results for the reporting year from the disposal of the subsidiary and the results for the previous reporting year and for the period from the beginning of the reporting year to 8 January 2016, which have been included in the consolidated financial statements, were immaterial.

26. DILUTION OF INVESTMENT IN A SUBSIDIARY/DISPOSAL OF SUBSIDIARY (CONTINUED)

26B. Disposal of subsidiary (Continued)

The following table summarises the carrying value of the account balances of the subsidiary:

	Group	
	At 08/01/2016 $'000	At 31/03/2015 $'000
Inventories	69	328
Trade and other receivables	166	80
Other assets	73	36
Cash and cash equivalents	202	82
Trade and other payables	(522)	(532)
Net liabilities disposed of	(12)	(6)
Non-controlling interests	6	
	(6)	
Gain on disposal of subsidiary (Note 6)	6	
Cash consideration	–	
Less: cash and cash equivalents disposed of	(202)	
Net cash outflow on disposal	(202)	

27. ACQUISITION OF SUBSIDIARY

During the reporting year, a subsidiary, YG Marketing Pte Ltd entered into a sale and purchase agreement to acquire 50% equity interest in Singapore Crocodile (1968) Pte Ltd for $2,441,570. The transaction was completed on 13 January 2016.

The net assets acquired and the related fair values were as follows:

	At fair values $'000	Before combination $'000
Plant and equipment	130	130
Intangible assets	355	–
Inventories	2,647	2,647
Trade and other receivables	1,503	1,503
Cash and cash equivalents	1,751	1,751
Income tax payable	(98)	(98)
Trade and other payables	(1,468)	(1,468)
Deferred tax liabilities	(60)	–
Provisions	(40)	(40)
Net assets disposed of	4,720	4,425
Goodwill arising on consolidation	82	
Non-controlling interests	(2,360)	
Consideration	2,442	
Less: consideration payable by shares of subsidiary (Note 26A)	(1,242)	
Cash consideration	1,200	
Less: cash and cash equivalents acquired	(1,751)	
Net cash inflow on acquisition	(551)	

27. ACQUISITION OF SUBSIDIARY (CONTINUED)

On 26 February 2016, the subsidiary acquired an additional 10% equity interest in Singapore Crocodile (1968) Pte Ltd for $366,600 settled by reissuance of the company's treasury shares. This increased the group's effective equity interest from 43.7% to 52.4%. Changes in the ownership interest in a subsidiary that do not result in change in control are accounted for as transactions with owners in their capacity as owners (as equity transactions). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the parent.

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

28A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	$'000	**$'000**	**$'000**	**$'000**
Financial assets:				
Cash and cash equivalents	**11,300**	10,102	**2,925**	3,082
Loans and receivables	**14,328**	14,281	**901**	2,267
At end of the year	**25,628**	24,383	**3,826**	5,349
Financial liabilities:				
Borrowings at amortised cost	**5,547**	8,655	**–**	–
Finance leases at amortised cost	**260**	264	**65**	97
Trade and other payables at amortised cost	**8,004**	6,333	**399**	399
At end of the year	**13,811**	15,252	**464**	496

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. The main risks arising from the entity's financial instruments are credit risk, interest risk, liquidity risk, foreign currency risk and market price risk comprising interest rate and currency risk exposures. The management has certain practices for the management of financial risks. The guidelines include the following:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.

2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance. The same strategy is pursued with regard to interest rate risk.

3. All financial risk management activities are carried out and monitored by senior management staff.

4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

28C. Fair values of financial instruments

The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include both the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

28D. Credit risk on financial assets

Financial assets that are potentially subjected to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents, receivables and certain other financial assets. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial institutions is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk with customers is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management. There is no significant concentration of credit risk on receivables, as the exposure is spread over a large number of counter-parties and customers unless otherwise disclosed in the notes to the financial statements below.

Note 19 discloses the maturity of the cash and cash equivalents balances.

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28D. Credit risk on financial assets (Continued)

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 7 to 30 days (2015: 7 to 30 days). But some customers take a longer period to settle the amounts. The group does not generally grant credit for retail customers as goods are usually settled in cash, Network For Electronic Transfers (NETS) and credit card payments. NETS and credit card payments take approximately a few days to settle.

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	Group	
	2016 $'000	2015 $'000
Trade receivables:		
Less than 60 days	**2,864**	3,666
61 – 90 days	**1,008**	1,538
91 – 120 days	**1,252**	1,130
Over 120 days	**3,753**	3,365
Total	**8,877**	9,699

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group	
	2016 $'000	2015 $'000
Trade receivables:		
Over 120 days	**623**	531
Total	**623**	531

The allowance on trade receivables is based on individual accounts totalling $623,000 (2015: $531,000) that are determined to be impaired at the end of reporting year. These are unsecured.

Other receivables are normally with no fixed terms and therefore there is no maturity.

Concentration of trade receivable customers at the end of reporting year:

	Group	
	2016 $'000	2015 $'000
Top 1 customer	**5,128**	3,809
Top 2 customers	**7,482**	6,844
Top 3 customers	**8,184**	8,193

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28E. Liquidity risk – financial liabilities maturity analysis

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2016			
Non-derivative financial liabilities:			
Gross borrowings commitments	**5,724**	**104**	**5,828**
Trade and other payables	**8,004**	**–**	**8,004**
At end of the year	**13,728**	**104**	**13,832**
2015			
Non-derivative financial liabilities:			
Gross borrowings commitments	8,739	200	8,939
Trade and other payables	6,333	–	6,333
At end of the year	15,072	200	15,272
Company			
2016			
Non-derivative financial liabilities:			
Gross borrowings commitments	**35**	**33**	**68**
Trade and other payables	**399**	**–**	**399**
Financial guarantee contracts	**15,429**	**–**	**15,429**
At end of the year	**15,863**	**33**	**15,896**
2015			
Non-derivative financial liabilities:			
Gross borrowings commitments	36	68	104
Trade and other payables	399	–	399
Financial guarantee contracts	17,973	–	17,973
At end of the year	18,408	68	18,476

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28E. Liquidity risk – financial liabilities maturity analysis (Continued)

Financial guarantee contracts – For financial guarantee contracts the maximum earliest period in which the guarantee could be called is used. At the end of the reporting year, no claims on the financial guarantees are expected to be payable. The following table shows the maturity analysis of the contingent liabilities:

Company	Less than 1 year $'000	2 – 5 years $'000	Total $'000
2016			
Financial guarantee contracts – in favour of subsidiaries	**15,429**	–	**15,429**
Total	**15,429**	–	**15,429**
2015			
Financial guarantee contracts – in favour of subsidiaries	17,973	–	17,973
Total	17,973	–	17,973

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 120 (2015: 30 to 120 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

28F. Interest rate risk

The interest rate risk exposure is from changes in fixed rate and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2016 $'000	2015 $'000	2016 $'000	2015 $'000
Financial assets:				
Floating rate	**3,152**	6,298	**2,834**	2,935
Total at end of the year	**3,152**	6,298	**2,834**	2,935
Financial liabilities:				
Fixed rate	**260**	264	**65**	97
Floating rate	**5,547**	8,655	–	–
Total at end of the year	**5,807**	8,919	**65**	97

The interest rates are disclosed in the respective notes.

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28F. Interest rate risk (Continued)

Sensitivity analysis:

	Group	
	2016 $'000	2015 $'000
Financial assets:		
A hypothetical increase in interest rates by 100 basis points with all other variables held constant, would have a favourable effect on pre-tax profit (2015: loss) for the year by	32	63
Financial liabilities:		
A hypothetical increase in interest rates by 100 basis points with all other variables held constant, would have an adverse effect on pre-tax profit (2015: loss) for the year by	(55)	(87)

The analysis has been performed separately for fixed interest rate and floating interest rate financial instruments. The impact of a change in interest rates on fixed interest rate financial instruments has been assessed in terms of changing of their fair value. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on net expenses. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

28G. Foreign currency risk

Analysis of amounts denominated in non-functional currencies:

Group	US Dollar $'000	Hong Kong Dollar $'000	Ringgit Malaysia $'000	Total $'000
2016:				
Financial assets:				
Cash and bank balances	1,547	6	609	2,162
Loans and receivables	488	–	–	488
Total financial assets	2,035	6	609	2,650
2016:				
Financial liabilities:				
Trade and other payables	1,601	112	6	1,719
Total financial liabilities	1,601	112	6	1,719
Net financial assets (liabilities) at end of the year	434	(106)	603	931

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28G. Foreign currency risk (Continued)

Group	US Dollar $'000	Hong Kong Dollar $'000	Ringgit Malaysia $'000	Total $'000
2015:				
Financial assets:				
Cash and bank balances	65	13	5,026	5,104
Loans and receivables	60	–	–	60
Total financial assets	125	13	5,026	5,164
2015:				
Financial liabilities:				
Trade and other payables	1,378	61	5	1,444
Total financial liabilities	1,378	61	5	1,444
Net financial assets (liabilities) at end of the year	(1,253)	(48)	5,021	3,720

There is exposure to foreign currency risk as part of its normal business. There is no foreign currency risk at the company level.

Sensitivity analysis:

	Group 2016 $'000	Group 2015 $'000
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the United States Dollars with all other variables held constant would have (an adverse) a favourable effect on profit (2015: loss) before tax of	**(43)**	125
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Hong Kong Dollars with all other variables held constant would have a favourable effect on profit (2015: loss) before tax of	**11**	5
A hypothetical 10% strengthening in the exchange rate of the functional currency $ against the Ringgit Malaysia with all other variables held constant would have an adverse effect on profit (2015: loss) before tax of	**(60)**	(502)

The above table shows sensitivity to a hypothetical 10% variation in the functional currency against the relevant foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency as the historical exposure does not reflect the exposure in future.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

28. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONTINUED)

28G. Foreign currency risk (Continued)

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entity has significant exposure. The analysis above has been carried out on the basis that there are no hedged transactions.

29. BANKING FACILITIES

	Group	
	2016 $'000	2015 $'000
Letter of credits (secured) (Note 24)	**37**	812

30. CONTINGENT LIABILITIES

The company has issued corporate guarantees to banks in respect of banking facilities extended to certain subsidiaries amounting to $15,429,000 (2015: $17,973,000).

31. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2016 $'000	2015 $'000
Commitment to purchase plant and equipment	**195**	9
Commitment to fund operations of a joint arrangement	-	206

32. OPERATING LEASE PAYMENT COMMITMENTS

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	Group	
	2016 $'000	2015 $'000
Not later than one year	**1,990**	1,624
Later than one year and not later than five years	**1,258**	1,301
Rental expense for the year	**1,931**	1,822

Operating lease payments are for rentals payable for certain of its office, warehouses, stores, retail outlets and office equipment. The leases are for two to three years. The lease rental terms are negotiated for an average term of two to three years and certain rentals are subject to an escalation clause but the amount of the rent increase is not to exceed certain percentage.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

33. FORWARD CURRENCY EXCHANGE CONTRACT

This includes the gross amount of all notional values for contract that has not yet been settled or cancelled. The amount of notional value outstanding is not necessarily a measure or indication of market risk, as the exposure of certain contract may be offset by that of other contract.

Group	Reference currency	Principal 2016 $'000	Principal 2015 $'000	Fair Value 2016 $'000	Fair Value 2015 $'000
Forward currency contract	USD	445	1,323	– [(a)]	– [(a)]

(a) The fair value is not material.

The purpose of the contract is to mitigate the fluctuations of expected sales and purchases (forecast transactions) denominated in the non-functional currencies. The forward exchange contracts are put in place in order to hedge the excess of anticipated sales over purchases that will be made in the above currencies over the next year. Cash flows are expected to occur and affect profit or loss in the month concerned.

34. ITEMS IN PROFIT OR LOSS

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group 2016 $'000	Group 2015 $'000
Fees on audit services to independent auditors:		
– Company's independent auditors	**139**	130
– Other independent auditors	**10**	10
Total	**149**	140
Other fees to independent auditors:		
– Company's independent auditors	**16**	15
– Other independent auditors	**4**	5
Total	**20**	20

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2016

35. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 1	Amendments to FRS 1: Disclosure Initiative (early application)
FRS 19	Amendments To FRS 19: Defined Benefit Plans: Employee Contributions
Various	Improvements to FRSs (Issued in January 2014). Relating to:
	FRS 102 Share-based Payment
	FRS 103 Business Combinations
	FRS 108 Operating Segments
Various	Improvements to FRSs (Issued in February 2014). Relating to:
	FRS 103 Business Combinations
	FRS 113 Fair Value Measurement

36. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 109	Financial Instruments	1 Jan 2018

STATISTICS OF SHAREHOLDINGS

AS AT 10 JUNE 2016

SHARE CAPITAL

Issued and fully paid capital	–	S$23,399,825.76	Class of shares	–	Ordinary shares
Total number of shares in issue	–	63,106,209 (including treasury shares)	Voting rights	–	1 vote per share
Number of treasury shares	–	7,800 (representing 0.01% of the total number of shares in issue excluding treasury shares)			

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 52.38% of the issued ordinary shares of the Company were held in the hands of the public as at 10 June 2016 and therefore Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	2	0.38	92	0.00
100 – 1,000	347	66.22	207,819	0.33
1,001 – 10,000	106	20.23	356,000	0.56
10,001 – 1,000,000	54	10.31	7,071,491	11.21
1,000,001 and above	15	2.86	55,463,007	87.90
TOTAL	**524**	**100.00**	**63,098,409**	**100.00**

TWENTY LARGEST SHAREHOLDERS

S/N	Name of Shareholders	Shares Held	%
1	THANG TECK JONG	17,360,385	27.51
2	PHILLIP SECURITIES PTE LTD	12,690,620	20.11
3	BANK OF SINGAPORE NOMINEES PTE LTD	3,705,600	5.87
4	YANGTZEKIANG GARMENT LIMITED	2,543,982	4.03
5	NEO GIM KIONG	2,431,200	3.85
6	TAN HIAN TSIN	2,343,000	3.71
7	CHAN WING TO	2,149,818	3.41
8	MAYBANK KIM ENG SECURITIES PTE LTD	1,935,000	3.07
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,815,000	2.88
10	HO HEE TONG	1,705,800	2.70
11	RONALD MENON A/L R.K.MENON	1,644,700	2.61
12	KONG LING TING @ KANG LING TING	1,485,000	2.35
13	HOE KEE KOK	1,411,902	2.24
14	NG THIAM CHIN (HUANG TIANJIN)	1,161,000	1.84
15	CITIBANK CONSUMER NOMINEES PTE LTD	1,080,000	1.71
16	TAN AH KOW @ TAN AH LECK	900,600	1.43
17	WONG TOON TUNG	724,200	1.15
18	VINCENT LEE CHUNG NGEE	610,000	0.97
19	TAY CHOON LOKE	600,000	0.95
20	LIM ANDY	529,200	0.84
	TOTAL	**58,827,007**	**93.23**

STATISTICS OF SHAREHOLDINGS

AS AT 10 JUNE 2016

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
Name of Substantial Shareholders	**Number of Shares**	**%**	**Number of Shares**	**%**
Thang Teck Jong[(1)]	17,360,385	27.51	9,563,400	15.16
Kong Ling Ting @ Kang Ling Ting[(2)]	1,485,000	2.35	1,800,000	2.85

Notes:

(1) Thang Teck Jong is deemed to be interested in 8,078,400 shares registered in the name of nominee accounts, namely Phillip Securities Pte Ltd, Citibank Consumer Nominees Pte Ltd, Maybank Kim Eng Securities Pte Ltd and United Overseas Bank Limited (jointly held by him and his spouse, Kong Ling Ting @ Kang Ling Ting). He is also deemed to be interested in 1,485,000 shares held by his spouse, Kong Ling Ting @ Kang Ling Ting.

(2) Kong Ling Ting @ Kang Ling Ting is deemed to be interested in 1,800,000 shares registered in the name of a nominee account, United Overseas Bank Limited (jointly held by her and her spouse, Thang Teck Jong).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("AGM") of TRAVELITE HOLDINGS LTD. (the "Company") will be held at 205A Kallang Bahru Singapore 339342 on Friday, 15 July 2016 at 10.00 a.m., for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2016 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$65,000 for the financial year ended 31 March 2016. (2015: S$65,000) **(Resolution 2)**

3. To re-elect Mr Hoe Kee Kok, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 1)* **(Resolution 3)**

4. To re-elect Mr Foong Daw Ching, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 2)* **(Resolution 4)**

5. To re-appoint RSM Chio Lim LLP as auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:–

6. That pursuant to Section 161 of the Companies Act, Cap. 50 (the "Companies Act") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), the Directors of the Company be authorised and empowered to: **(Resolution 6)**

   (a) (i) issue shares in the Company ("Shares") whether by way of rights, bonus or otherwise; and/or

   (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

   at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

NOTICE OF ANNUAL GENERAL MEETING

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per centum (20%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from the exercise of share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note 3)

7. That: **(Resolution 7)**

(a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 (the "Companies Act"), the Directors of the Company be and are hereby authorised to exercise all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

(i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) off-market purchases (each an "Off-Market Purchase") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors of the Company as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable (the "Share Buy Back Mandate");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors of the Company, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

(c) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next AGM of the Company is held or is required by law to be held;

(ii) the date on which the share buy back is carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked;

(d) for purposes of this Resolution:

"Prescribed Limit" means 10% of the issued ordinary share capital of the Company as at the date of passing of this Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time);

"Relevant Period" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

NOTICE OF ANNUAL GENERAL MEETING

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase by the Company or, as the case may be, the day of making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"day of making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders of the Company stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"market day" means a day on which the SGX-ST is open for trading in securities; and

(e) any of the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(see explanatory note 4)

8. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong
Lee Li Erh
Company Secretaries

30 June 2016
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Mr Hoe Kee Kok will, upon re-election as a Director of the Company, remain as a member of the Audit, Nominating and Remuneration Committees of the Company, and will not be considered independent for the purposes of Rule 704(8) of the SGX-ST Listing Manual.

2. Mr Foong Daw Ching will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company, and will be considered independent for the purposes of Rule 704(8) of the SGX-ST Listing Manual.

3. The Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which up to 20% may be issued other than on a pro rata basis to existing shareholders of the Company.

4. The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors of the Company, from the date of the AGM until the date the next AGM is to be held or is required by law to be held, whichever is the earlier, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued shares excluding any shares which are held as treasury shares of the Company at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of shares by the Company pursuant to the Share Buy Back Mandate are set out in greater detail in the Addendum accompanying this Notice.

Notes:

(i) (a) A shareholder of the Company entitled to attend and vote at the AGM and who is not a relevant intermediary may appoint not more than two proxies to attend and vote in his stead.

(b) A shareholder of the Company entitled to attend and vote at the AGM and who is a relevant intermediary may appoint more than two proxies provided that each proxy is appointed to exercise the rights attached to different shares held by the shareholder.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.

(ii) A proxy need not be a shareholder of the Company.

(iii) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 205A Kallang Bahru Singapore 339342 not later than 48 hours before the time appointed for the holding of the AGM.

(iv) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

(v) A Depositor's name must appear on the Depository Register maintained by the Central Depository (Pte) Limited as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

Personal Data Privacy:

"Personal data" in this notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012, which includes your name and your proxy's and/or representative's name, address and NRIC/Passport number. By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's and its proxy(ies)'s or representative(s)'s personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior express consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; (iii) undertakes that the member will only use the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iv) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. Your personal data and your proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

TRAVELITE HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200511089K)

Important:
1. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
2. CPF investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies.

PROXY FORM

I/We, ________________________________ (Name) (NRIC/Passport Number) ________________

of ____ (Address)

being a member/members of **TRAVELITE HOLDINGS LTD.** (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)

or failing him, the Chairman of the Annual General Meeting ("AGM") of the Company as my/our* proxy/proxies* to attend and to vote for me/us* on my/our* behalf at the AGM of the Company to be held at 205A Kallang Bahru Singapore 339342 on Friday, 15 July 2016 at 10.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Ordinary Resolutions as set out in the Notice of AGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the AGM.)

No.	Resolutions relating to:	Number of Votes For	Number of Votes Against
	Ordinary Business:		
1.	To receive and adopt the Directors' Statement and the Audited Financial Statements together with the Independent Auditors' Report		
2.	To approve the payment of Directors' fees of S$65,000 for the financial year ended 31 March 2016		
3.	To re-elect Mr Hoe Kee Kok as a Director		
4.	To re-elect Mr Foong Daw Ching as a Director		
5.	To re-appoint RSM Chio Lim LLP as auditors of the Company and to authorise the Directors to fix their remuneration		
	Special Business:		
6.	To authorise Directors to allot and issue shares and convertible securities		
7.	To approve the renewal of share buy back mandate		

Dated this ________ day of ______________ 2016

Total number of Shares in	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature(s) of Shareholder(s)
or Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.

2. A shareholder of the Company who is not a relevant intermediary (as defined below) is entitled to appoint not more than two proxies to attend and vote at the AGM of the Company. Where such shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy. If no percentage is specified, the first named proxy shall be deemed to represent 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. A shareholder of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the AGM of the Company, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such shareholder. Where such shareholder appoints more than one proxy, the number of shares in relation to which each proxy has been appointed shall be specified in the proxy form. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.

   "**relevant intermediary**" means:

   (i) a banking corporation licensed under the Banking Act, Chapter 19, or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (ii) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289, and who holds shares in that capacity; or

   (iii) the Central Provident Fund Board ("**CPF Board**") established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

4. An investor who buys shares using CPF monies ("CPF Investor") and/or SRS monies ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

5. A proxy need not be a shareholder of the Company.

6. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 205A Kallang Bahru Singapore 339342 not less than 48 hours before the time appointed for the AGM.

7. The instrument appointing a proxy or proxies must be executed under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or by an officer on behalf of the corporation.

8. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.

9. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50.

10. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by the Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 30 June 2016.

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Hedgren