



**TRAVELITE HOLDINGS LTD.**

(Incorporated in Singapore)

(Company Registration Number: 200511089K)

---

## **RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON ANNUAL REPORT 2024**

---

In response to the queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 23 July 2024 in relation to the Company’s Annual Report 2024 (the “**Annual Report**”), the Board of Directors (the “**Board**”) of Travelite Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following additional information:

### **Query 1**

The Company disclosed that, following the retirement of Mr. Foong who has served on the Board for more than nine years, the number of members in each of the Board committees will fall below the required minimum number of 3 members. The Company further disclosed that it will fill the vacancy within 2 months, but in any case, no later than 3 months.

- (a) Please disclose the steps that the Nominating Committee had taken and its plans to fill the impending vacancy in the Board and Board committees and shortfall of independent directors as required by the Listing Rules and Code of Corporate Governance 2018 (“**Code**”).

### **Response**

The Nominating Committee (“**NC**”) is currently in the process of identifying and shortlisting suitable candidates with the requisite experience and expertise to fill the impending vacancy in the Board and Board committees. In seeking suitable candidates, the NC has since January 2024 sourced for recommendations of potential candidates via the network of the Board and business contacts of the Company. The NC has shortlisted several suitable candidates to be interviewed by the NC in due course.

The Company will endeavour to fill the vacancy within 2 months, but in any case no later than 3 months, from 30 July 2024.

- (b) Please explain why the Company had not appointed an independent director with the necessary expertise and experience to replace Mr. Foong, given ample lead time prior to Mr. Foong's retirement, at the upcoming AGM.

### **Response**

The NC has been in the process of identifying and shortlisting suitable candidates since January 2024, while having regard to the Board diversity objectives to ensure that the Board has an appropriate balance and diversity of skills, expertise and experience. As an independent director plays an important role in ensuring good corporate governance and oversight, particularly in view of the size of the Board, the NC is adopting a prudent approach to ensure that it shortlists the best available candidate who can contribute to the competencies, skills and experience of the Board as a whole. Throughout the identification and nomination process, the NC has also been mindful of any opportunity to increase the proportion of members from different areas of expertise, experience, ethnicities, gender and age groups on the Board.

- (c) Following Mr. Foong's retirement, please robustly justify how the Company would meet the requirements of Listing Rule 210(5)(a), Provisions 12.1 and 12.2 of the Code, which requires the Company's directors to have appropriate experience and expertise to manage the group's business, all members of the Audit Committee ("**AC**") to be non-executive directors, the majority of whom including the AC Chairman to be independent, and at least two members including the AC Chairman to have recent and relevant accounting or related financial management expertise or experience.

### Response

In the interim period following the cessation of Mr Foong Daw Ching ("**Mr Foong**"), the remaining members of the AC, being Mr Thang Teck Jong ("**Mr Thang**") and Dr Clemen Chiang Wen Yuan ("**Dr Chiang**"), will be responsible for overseeing and discharging the principal functions of the AC.

The Board is of the view that Mr Thang and Dr Chiang has sufficient financial management expertise and experience to discharge the principal functions of the AC and the Board, in the interim period. Mr Thang has more than 30 years of experience in strategic and business planning, while Dr Chiang has been the chief executive officer of Aly Pte. Ltd., a financial technology company, since 2016. Dr Chiang is also a Chartered Fellow of the Chartered Management Institute in the United Kingdom, and a Chartered Marketer and a Fellow of the Chartered Institute of Marketing in the United Kingdom, as well as, *in er alia*, a Bachelor of Engineering (Civil) from the Nanyang Technological University and a Master of Business Administration from the University of Louisville, United States.

In addition, the AC and the Board will have the discretion to invite key management personnel of the Group to attend discussions, such as the Group Financial Controller who has accounting experience, and will also have access to adequate resources, including external consultants and auditors, to enable it to discharge its responsibilities properly. Taking into consideration the above, the Board is of the view that the corporate governance of the Company will not be compromised during the interim period prior to the appointment of a new independent director, and that the AC will continue to benefit from the experience and expertise of the executive Chairman in carrying out the AC's duties effectively.

Notwithstanding the above, the Company will prioritise the appointment of a new independent director, and has shortlisted suitable candidates to be interviewed by the NC. The Company will endeavour to fill the vacancy in the Board and Board committees within 2 months, but in any case no later than 3 months, from 30 July 2024.

### Query 2

The Company disclosed that it has outsourced its internal audit function to Acumen Associates LLP and the AC is satisfied that the internal audit function is independent, effective, adequately resourced. Please disclose the track record and experience of Acumen Associates LLP and the partner-in-charge of conducting the Company's internal audit in relation to conducting internal audits for other public listed entities, details of the internal audit team including its size, qualifications, accreditation and expertise in conducting internal audit of similar companies to demonstrate how it is adequately resourced and effective in conducting an internal audit for the Company. Please also disclose whether the internal auditor has conducted the internal audit of the Company in FY2024 according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

### Response

The internal audit function in respect of the financial year ended 31 March 2024 ("**FY2024**") is outsourced to an external professional firm in Singapore, Acumen Associates LLP, with approximately seven years of experience and specialises in auditing, consultation, tax and accounting services. The firm's total staff strength in Singapore is 28 employees. The engagement team comprises one director and three other

employees of the firm (including the engagement manager below). The credentials of the key engagement team members are as follows:

- (i) Engagement Director, Simon Liew
  - Qualified professional accountant
  - Holds fellowships with the Institute of Public Accountants (FIPA) of Australia, the Association of International Accountants (FAIA) of the United Kingdom
  - Chartered Member of the Institute of Internal Auditors (CMIIA) in Malaysia
  - Over 25 years of experience in commercial and private practices
  - Specialises in audit and internal audit, corporate finance consulting in mergers and acquisitions, initial public offerings, and risk management
  - Mr Simon Liew is currently a practising accountant and a director of Acumen Alpha Advisory Group, which Acumen is part of. Prior to his current professional practice, Simon worked with Renong group of companies (now known as UEM group of companies), one of the construction conglomerates in Malaysia, for six years from 1993 to 1998, progressing from Accounts Executive to Financial Controller. Thereafter, he joined FORMIS Malaysia Berhad, an Information Technologies company listed on BURSA Malaysia's Main Board, where he worked for nine years between 1999 and 2007, ultimately holding the position of Vice-President of Risk Management and Internal Audit Division.
  
- (ii) Engagement Manager, Penny Wong
  - Chartered Accountant, Singapore
  - Fellow Chartered and Certified Accountant
  - Ms Penny Wong has 17 years of audit experience, and she was involved in auditing of private companies from various industries including general trading and retail, building and construction, food and beverage, real estate and investment holding.
  - She also exposes herself to internal audit engagement and gained experience from various industries such as recycling company and charity society.
  - She is currently working as an audit manager of Acumen Associates LLP and leads the audit team on small and medium sized engagements with direct responsibility to an audit partner.

The internal auditor has conducted the internal audit of the Company in respect of FY2024 according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

### **Query 3**

The Company disclosed that it had purchased a motor vehicle from its independent director, Dr Clemen Chiang Wen Yuan, at a purchase price of S\$156,000. It is also disclosed that the Company had requested for the motor vehicle to be registered in the name of the Executive Chairman, Mr Thang, to hold on trust in favour of the Company and pursuant to a trust arrangement between the Company and Mr. Thang, Mr. Thang will deal with the motor vehicle where directed by the Company, including transferring the motor vehicle to the Company's name at the Company's request or if he ceases to be a Director.

- (a) Please disclose details about the motor vehicle, including its model and age, and the bases of the Board's decision for the Company to purchase a motor vehicle and the business function that it serves.

### **Response**

The motor vehicle purchased by the Company is a Toyota Alphard 2.5 X CVT, which was manufactured in 2017 and first registered in April 2018.

The bases of the Board's decision for the purchase of motor vehicle by the Company ("**Vehicle Purchase**") are as follows:

- (i) The Company required a motor vehicle to serve the business function of catering to the transport requirements of visiting principals, suppliers and overseas customers of the Group; and
  - (ii) Prior to the Vehicle Purchase, the Company did not have any available motor vehicle to perform the above general business function.
- (b) Given that the Company has only three directors, of which only Mr. Foong is not party to the transaction, please disclose the bases of Mr. Foong's decision for (i) the Company to purchase the motor vehicle directly from an interested person, Dr Clemen, instead of a third party in the open market, (ii) the setting up of a trust arrangement between the Company and Mr Thang for this arrangement instead of the Company purchasing the motor vehicle directly from the seller, and (iii) the registration of the motor vehicle under Mr Thang's name instead of the Company. Please also disclose how (i), (ii) and (iii) are in the interests of the Company and its non-interested shareholders.

### **Response**

Having considered the following bases, Mr Foong was of the view that the Vehicle Purchase is on normal commercial terms and not prejudicial to the interests of the Company and its non-interested shareholders:

- (i) The purchase consideration of the motor vehicle was arrived at on arm's length basis between the Company and Dr Chiang, taking into consideration factors such as (a) the relatively new condition of the motor vehicle, and (b) the selling price of the motor vehicle relative to the range of market prices for similar motor vehicles;
  - (ii) In assessing the prevailing market price (during the purchase period) of the motor vehicle, comparison was made to various sale listings for similar motor vehicle models of similar condition and age published on at least two unrelated third-party seller platforms, including SGCarmart and CarVault. The Company also obtained two external parties' quotation from Carro.co and Skylink for the assessment of the price; and
  - (iii) The registration of the motor vehicle by the Company under an existing vehicle registration number, which is registered in the name of Mr Thang, was done for cost efficiency and administrative reasons.
- (c) Please disclose details of the bases of the AC's (in this case only Mr. Foong's) view and the procedures and steps taken to ensure that this transaction is on normal commercial terms and not prejudicial to the interests of the Company and its non-interested shareholders.

### **Response**

Please refer to the Company's response to query 3(b) above.

### **Query 4**

In accordance with Listing Rule 1207(20) the Company is required to provide a report on the use of any proceeds arising from any offerings pursuant to Chapter 8 and whether the use of proceeds is in accordance with the stated use and allocation disclosed. Where proceeds are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. Where there is a material deviation from the stated use of proceeds, the issuer must also announce the reasons for the deviation. The Company had not disclosed the above with respect to its recently completed rights issue which raised gross proceeds amounting to S\$2.52 million. Please disclose accordingly.

### **Response**

The Company refers to the renounceable non-underwritten rights issue of 31,549,204 new ordinary shares in the capital of the company undertaken by the Company ("**Rights Issue**") which was completed in April

2024. As set out in the Company's announcement dated 23 April 2024, the Company raised net proceeds of approximately S\$2.22 million (after deducting costs and expenses of approximately S\$0.30 million) from the Rights Issue ("**Net Proceeds**").

As set out in the Offer Information Statement dated 28 March 2024, the Company intends to utilise the Net Proceeds entirely to fund new investments and business expansion of the Group through acquisitions, joint ventures and/or strategic alliances as and when opportunities arise. As at the date of this announcement, the Net Proceeds have not been disbursed.

The Company will continue to pursue its plans to diversify and expand its core business, and will explore other acquisitions, joint ventures and/or strategic alliances as and when opportunities arise. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when such proceeds are materially disbursed, and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and in the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.

Pending the deployment of the Net Proceeds for the abovementioned purpose, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets instruments and/or marketable securities and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Group.

Please refer to the Company's announcements dated 24 March 2023, 25 May 2023, 19 December 2023, 28 February 2024, 20 March 2024, 28 March 2024, 3 April 2024, 23 April 2024 and 25 April 2024, and the Offer Information Statement of the Company dated 28 March 2024, for further information in relation to the Rights Issue.

#### **Query 5**

On 24 March 2023, the Company announced that it entered into a sales and purchase agreement ("**SPA**") for the proposed acquisition of a 40% shareholding interest in Funkie Monkeys Ventures Pte. Ltd. ("**Proposed Transaction**"). On 20 December 2023, the Company announced that the parties to SPA had agreed on an extension of time of an additional period of 6 months i.e. till 24 June 2024 for the fulfilment (or otherwise waiver, at the Company's discretion) of the conditions precedent under the SPA ("**Long-Stop Date**"). Please provide an update on the status of the Proposed Transaction given that the Long-Stop Date has passed and explain why the Proposed Transaction had taken more than 15 months. If the SPA had been terminated, please also disclose whether the Deposit of S\$200,000 had been refunded to the Company.

#### **Response**

As set out in the Company's announcement dated 26 July 2024, following the expiry of Long-Stop Date, the Company became entitled under the SPA to rescind the SPA and obtain a refund of the deposit amounting to S\$200,000 ("**Deposit**"). Further to negotiations between the Company and the vendors, the Company has on 26 July 2024 entered into a letter agreement to rescind the SPA, and to set out parties' agreement on the repayment of the Deposit by the vendors to the Company within 6 months from 24 June 2024.

The Company wishes to update shareholders that, notwithstanding the extension of the Long-Stop Date in December 2023 for an additional period of 6 months for the fulfilment of conditions precedent under the SPA (including the conduct of financial due diligence investigations, valuation and the convening of general meeting to seek shareholders' approval in relation to the Proposed Transaction), the parties were unable to fulfil all conditions precedent under the SPA by such Long-Stop Date. Following the rescission of SPA, the Proposed Transaction is deemed aborted by the Company.

Please refer to the Company's announcements dated 24 March 2023, 11 April 2023, 13 April 2023, 16 May 2023, 29 May 2023, 19 July 2023, 20 December 2023 and 26 July 2024 for further information in relation to the Proposed Transaction.

By Order of the Board

Thang Teck Jong  
Executive Chairman  
28 July 2024