



**TRAVELITE HOLDINGS LTD.**  
(Registration No. 200511089K)

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**Full Year Financial Statement Announcement For The Year Ended 31 March 2020**

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**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENT**

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	<u>2020</u>	<u>2019</u>	+ / (-)
	\$'000	\$'000	%
<b>Revenue</b>	42,571	42,781	(0.5)
Cost of Sales	<u>(24,370)</u>	<u>(23,858)</u>	2.1
<b>Gross Profit</b>	18,201	18,923	(3.8)
<b><u>Other Items of Income</u></b>			
Interest Income	264	480	(45.0)
Other Gains	361	444	(18.7)
<b><u>Other Items of Expense</u></b>			
Marketing and Distribution Costs	(13,697)	(12,207)	12.2
Administrative Expenses	(4,934)	(6,281)	(21.4)
Finance Costs	(1,125)	(690)	63.0
Other Losses	(4,978)	(280)	n.m.
Share of Profit from Equity-Accounted Associate	13	10	30.0
<b>(Loss) Profit Before Tax From Continuing Operations</b>	<u>(5,895)</u>	<u>399</u>	n.m.
Income tax expense	(303)	(121)	n.m.
<b>(Loss) Profit From Continuing Operations, Net of Tax</b>	<u>(6,198)</u>	<u>278</u>	n.m.
<b><u>Other Comprehensive (Loss) Income:</u></b>			
<b>Items that may be reclassified subsequently to profit or loss:</b>			
Exchange Differences on Translating Foreign Operations, Net of Tax	(6)	19	n.m.
<b>Total Comprehensive (Loss) Income</b>	<u>(6,204)</u>	<u>297</u>	n.m.
<b><u>(Loss) Profit From Continuing Operations, Net of Tax</u></b>			
<b>Attributable To:</b>			
Owners of the Parent	(6,111)	220	n.m.
Non-Controlling Interests	<u>(87)</u>	<u>58</u>	n.m.
	<u>(6,198)</u>	<u>278</u>	n.m.
<b><u>Total Comprehensive (Loss) Income Attributable To:</u></b>			
Owners of the Parent	(6,117)	239	n.m.
Non-Controlling Interests	<u>(87)</u>	<u>58</u>	n.m.
	<u>(6,204)</u>	<u>297</u>	n.m.

n.m. denotes not meaningful

## **Notes on Statement of Comprehensive Income**

### **Other (Losses) Gains**

Allowance for Impairment on Inventories	(333)	(131)
Allowance for Impairment on Other Receivables	(130)	(58)
(Allowance for) Reversal of Impairment on Trade Receivables	(4,317)	28
Amortisation of Other Intangible Assets	(34)	(35)
Bad Debts Written Back	–	7
Impairment of Plant and Equipment	(86)	–
Inventories Written Off	–	(47)
Foreign Exchange Adjustment (Losses) Gains	(43)	30
Gain on Disposal of Plant and Equipment	104	86
Impairment on Goodwill	(8)	–
Government Grants Received	237	293
Other Gains	20	–
Plant and Equipment Written Off	(27)	(9)
Net	<u>(4,617)</u>	<u>164</u>
Presented in profit or loss as:		
Other Gains	361	444
Other Losses	(4,978)	(280)
Net	<u>(4,617)</u>	<u>164</u>

### **Finance Costs**

Interest Expense	<u>1,125</u>	<u>690</u>
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**1 (b) (i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group			Company		
	<u>2020</u>	<u>2019</u>	+ / (-)	<u>2020</u>	<u>2019</u>	+ / (-)
	\$'000	\$'000	%	\$'000	\$'000	%
<b>ASSETS</b>						
<b><u>Non-Current Assets</u></b>						
Property, Plant and Equipment	20,614	21,439	(3.8)	19,192	19,716	(2.7)
Intangible Assets	208	242	(14.0)	–	–	n.m.
Right-of-use Assets	9,719	–	n.m.	8,120	–	n.m.
Investments in Subsidiaries	–	–	n.m.	12,734	12,734	0.0
Investment in Associates	239	169	41.4	–	–	n.m.
Investment in Joint Arrangement	–	–	n.m.	–	–	n.m.
Deferred Tax Assets	34	24	41.7	–	–	n.m.
Other Receivables	3	252	(98.8)	–	–	n.m.
<b>Total Non-Current Assets</b>	<b>30,817</b>	<b>22,126</b>	<b>39.3</b>	<b>40,046</b>	<b>32,450</b>	<b>(23.4)</b>
<b><u>Current Assets</u></b>						
Asset Held For Sale	1,742	1,903	(8.5)	–	–	n.m.
Inventories	15,418	12,165	26.7	–	–	n.m.
Trade and Other Receivables	8,281	12,576	(34.2)	3,463	2,721	27.3
Other Assets	415	597	(30.5)	23	21	9.5
Cash and Cash Equivalents	5,493	9,924	(44.6)	141	1,597	(91.2)
<b>Total Current Assets</b>	<b>31,349</b>	<b>37,165</b>	<b>(15.6)</b>	<b>3,627</b>	<b>4,339</b>	<b>(16.4)</b>
<b>Total Assets</b>	<b>62,166</b>	<b>59,291</b>	<b>4.8</b>	<b>43,673</b>	<b>36,789</b>	<b>18.7</b>
<b>EQUITY AND LIABILITIES</b>						
<b><u>Equity, Attributable To Owners of The Parent</u></b>						
Share Capital	21,831	21,831	0.0	21,831	21,831	0.0
Treasury Shares	(2)	(2)	0.0	(2)	(2)	0.0
(Accumulated Losses) Retained Earnings	(3,593)	2,518	n.m.	(5,584)	(5,191)	7.6
Other Reserves	334	340	(1.8)	(82)	(82)	0.0
<b>Equity, Attributable To Owners of The Parent, Total</b>	<b>18,570</b>	<b>24,687</b>	<b>(24.8)</b>	<b>16,163</b>	<b>16,556</b>	<b>(2.4)</b>
<b>Non-Controlling Interests</b>	<b>3,480</b>	<b>3,567</b>	<b>(2.4)</b>	<b>–</b>	<b>–</b>	<b>n.m.</b>
<b>Total Equity</b>	<b>22,050</b>	<b>28,254</b>	<b>(22.0)</b>	<b>16,163</b>	<b>16,556</b>	<b>(2.4)</b>

	Group			Company		
	<u>2020</u> \$'000	<u>2019</u> \$'000	+ / (-) %	<u>2020</u> \$'000	<u>2019</u> \$'000	+ / (-) %
<b><u>Non-Current Liabilities</u></b>						
Provisions	195	160	21.9	–	–	n.m.
Deferred Tax Liabilities	159	154	3.2	65	50	30.0
Lease Liabilities, Non-current (Note 1)	8,781	35	n.m.	8,176	–	n.m.
Other Financial Liabilities	10,072	10,466	(3.8)	10,072	10,466	(3.8)
<b>Total Non-Current Liabilities</b>	<b>19,207</b>	<b>10,815</b>	<b>77.6</b>	<b>18,313</b>	<b>10,516</b>	<b>74.1</b>
<b><u>Current Liabilities</u></b>						
Income Tax Payable	225	231	(2.6)	50	62	(19.4)
Trade and Other Payables	4,887	5,957	(18.0)	817	1,447	(43.5)
Lease Liabilities, Current (Note 1)	1,226	68	n.m.	152	–	n.m.
Other Financial Liabilities	14,571	13,966	4.3	8,178	8,208	(0.4)
<b>Total Current Liabilities</b>	<b>20,909</b>	<b>20,222</b>	<b>3.4</b>	<b>9,197</b>	<b>9,717</b>	<b>(5.4)</b>
<b>Total Liabilities</b>	<b>40,116</b>	<b>31,037</b>	<b>29.3</b>	<b>27,510</b>	<b>20,233</b>	<b>36.0</b>
<b>Total Equity and Liabilities</b>	<b>62,166</b>	<b>59,291</b>	<b>4.8</b>	<b>43,673</b>	<b>36,789</b>	<b>18.7</b>

Note 1 – The Group has adopted SFRS (I) 16 with effect from 1 April 2019 based on modified retrospective approach. Please refer to Paragraph 5 for further information.

**1 (b) (ii) Aggregate amount of the group's borrowings and debt securities.**

	Group			
	<u>2020</u>		<u>2019</u>	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
a) Amount repayable in one year or less, or on demand	8,213	6,393	8,276	5,758
b) Amount payable after one year	10,180	–	10,501	–

The facilities are secured or covered by:

- 1) First legal mortgages on leasehold properties held by the Company and a subsidiary.
- 2) Assignment of rental proceeds from the leasehold properties held by the Company and a subsidiary.
- 3) Corporate guarantee from certain subsidiaries in favour of the lender of the Company.
- 4) Corporate guarantee from the Company in favour of lenders of certain subsidiaries.
- 5) Negative pledge on the assets of a subsidiary.
- 6) The obligation under finance leases are secured over the leased assets.

1 (c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
<b><u>Cash Flows From Operating Activities</u></b>		
(Loss) Profit Before Tax from Continuing Operations	(5,895)	399
Adjustments for:		
Interest Income	(264)	(480)
Interest Expense	1,125	690
Share of Profit of Equity-Accounted Associate	(13)	(10)
Depreciation of Property, Plant and Equipment	1,368	1,339
Depreciation of Investment Property	161	159
Depreciation of Right of Use of Asset	1,529	–
Amortisation of Other Intangible Assets	34	35
Plant and Equipment Written Off	27	9
Impairment of Plant and Equipment	86	–
Impairment of Goodwill	8	–
Gain on Disposal of Plant and Equipment	(104)	(86)
Provisions	42	17
<b>Operating Cash Flows Before Changes in Working Capital</b>	<u>(1,896)</u>	<u>2,072</u>
Inventories	(3,253)	(439)
Trade and Other Receivables	4,554	1,166
Other Assets	182	(174)
Trade and Other Payables	(1,052)	1,064
Provisions	(7)	(37)
<b>Net Cash Flows (Used in) From Operations Before Interest and Tax</b>	<u>(1,472)</u>	<u>3,652</u>
Income Tax Paid	(314)	(19)
<b>Net Cash Flows (Used in) From Operating Activities</b>	<u>(1,786)</u>	<u>3,633</u>
<b><u>Cash Flows From Investing Activities</u></b>		
Disposal of Plant and Equipment	179	197
Purchase of Property, Plant and Equipment (see Note A)	(770)	(849)
Increase in Investment in Associate	(57)	(54)
Acquisition of Subsidiary (see Note B)	(8)	–
Cash Restricted in Use	350	(450)
Interest Received	264	480
<b>Net Cash Flows Used in Investing Activities</b>	<u>(42)</u>	<u>(676)</u>
<b><u>Cash Flows From Financing Activities</u></b>		
Principal Element of Lease Payments	(1,433)	(95)
Interest Element of Lease Payments	(342)	–
Increase in Borrowings	330	1,860
Decrease in Other Financial Liabilities	(426)	(662)
Interest Paid	(783)	(690)
<b>Net Cash Flows (Used in) From Financing Activities</b>	<u>(2,654)</u>	<u>413</u>

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
	\$'000	\$'000
<b>Net (Decrease)/Increase in Cash and Cash Equivalents</b>	(4,482)	3,370
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	9,474	6,065
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	6	39
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance</b>	<u>4,998</u>	<u>9,474</u>

Analysis of Cash and Cash Equivalents for Consolidated Statement of Cash Flows:

Cash and Cash Equivalents	5,493	9,924
Overdraft	(395)	–
Cash Restricted in Use	(100)	(450)
Cash and Cash Equivalents for Consolidated Statement of Cash Flows	<u>4,998</u>	<u>9,474</u>

**NOTE:**

- A. Non-cash transaction:  
During the financial year, there were acquisitions of plant and equipment with a total cost of \$130,000 (2019: \$50,000) by means of finance leases.
- B. On 9 December 2019, Demarco Pte Ltd, a wholly-owned subsidiary of the Company, had acquired 500 shares, representing the 50% of the total issued and paid-up share capital of Global Brands Studio Co., Ltd (“**GBS**”) from That Vay (the “**Vendor**”) (the “**Acquisition**”) at a nominal purchase consideration of US\$1.00 (equivalent to approximately S\$1.36). Prior to the Acquisition, Demarco held 500 shares, representing 50% of the total issued and paid-up share capital of GBS. Following the Acquisition, GBS has become a wholly-owned subsidiary of Demarco. The net assets acquired are as follows:

	<u>At Fair Values</u>	<u>Before Combination</u>
	\$'000	\$'000
Plant and Equipment	58	58
Other Assets – non current	4	4
Inventories	313	313
Trade and Other Receivables	118	118
Prepaid Expense	14	14
Other Current Assets	8	8
Cash and Cash Equivalents	174	174
Trade and Other Payables	(148)	(148)
Other Current Liabilities	(544)	(544)
Net Identifiable Liabilities	<u>(3)</u>	<u>(3)</u>
Goodwill Arising on Consolidation	8	
Consideration	5	
Less Consideration Payable in FY2014	(13)	
Less Consideration Payable in FY2020	*	
Net Cash Outflow on Acquisition	<u>(8)</u>	

\* denotes amount less than S\$1'000.

Please refer to announcement made on 9 December 2019 for more details on this Acquisition.

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable		Share	(Accumulated Losses)/ Retained Earnings	Treasury Shares	Other Reserves			Non- Controlling Interests
	Total	To Parent				Foreign Currency Translation Reserve	Capital Reserve	Loss on Reissuance of Treasury Shares	
<u>Equity</u>	<u>Sub-Total</u>	<u>Capital</u>	<u>Capital</u>	<u>Shares</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Shares</u>	<u>Interests</u>	
\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>The Group</b>									
Balance at 1 April 2019	28,254	24,687	21,831	2,518	(2)	174	248	(82)	3,567
<b>Movements in Equity:</b>									
Total Comprehensive Loss for the Year	(6,204)	(6,117)	–	(6,111)	–	(6)	–	–	(87)
<b>Balance at 31 March 2020</b>	<b>22,050</b>	<b>18,570</b>	<b>21,831</b>	<b>(3,593)</b>	<b>(2)</b>	<b>168</b>	<b>248</b>	<b>(82)</b>	<b>3,480</b>
Balance at 1 April 2018	27,957	24,448	21,831	2,298	(2)	155	248	(82)	3,509
<b>Movements in Equity:</b>									
Total Comprehensive Income for the Year	297	239	–	220	–	19	–	–	58
<b>Balance at 31 March 2019</b>	<b>28,254</b>	<b>24,687</b>	<b>21,831</b>	<b>2,518</b>	<b>(2)</b>	<b>174</b>	<b>248</b>	<b>(82)</b>	<b>3,567</b>

1 (d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	<u>Total Equity</u> \$'000	<u>Share Capital</u> \$'000	<u>Accumulated Losses</u> \$'000	<u>Treasury Shares</u> \$'000	<u>Other Reserve</u> \$'000
<b><u>The Company</u></b>					
Balance at 1 April 2019	16,556	21,831	(5,191)	(2)	(82)
<b>Movements in Equity:</b>					
Total Comprehensive Loss for the Year	(393)	–	(393)	–	–
<b>Balance at 31 March 2020</b>	<u>16,163</u>	<u>21,831</u>	<u>(5,584)</u>	<u>(2)</u>	<u>(82)</u>
Balance at 1 April 2018	16,731	21,831	(5,016)	(2)	(82)
<b>Movements in Equity:</b>					
Total Comprehensive Loss for the Year	(175)	–	(175)	–	–
<b>Balance at 31 March 2019</b>	<u>16,556</u>	<u>21,831</u>	<u>(5,191)</u>	<u>(2)</u>	<u>(82)</u>



- 1 (d) (ii) Details of any changes in the company's share capital arising from right issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's share capital since the end of the previous period reported on, being 30 September 2019 up till 31 March 2020.

The number of shares held as treasury shares as at 31 March 2020 was 7,800 (0.01%) (31 March 2019: 7,800 (0.01%)).

There were no outstanding convertibles or subsidiary holdings as at 31 March 2020 and 31 March 2019.

- 1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at the end of current financial year was 63,098,409 (31 March 2019: 63,098,409).

- 1 (d) (iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

No treasury shares were sold, transferred, cancelled or used during the financial year ended 31 March 2020.

- 1 (d) (v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable as there were no subsidiary holdings.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.**

Except as set out in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the Group's financial statements for the current financial period compared with the audited financial statements as at 31 March 2019.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of “low value” assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use (“ROU”) asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the ROU asset. Lease liabilities are included as part of net debt and are taken in consideration when deriving the net debt equity ratio. The Group applied SFRS(I) 16 on 1 April 2019, using the modified retrospective approach.

In compliance with SFRS(I) 16, the Group applied the practical expedient to grandfather the definition of a lease on transition. SFRS(I) 16 will be applied to lease contracts entered before 1 April 2019 and those identified as leases in accordance with SFRS(I) 1-17 and SFRS(I) INT 4. The ROU assets as at 31 March 2020 were mainly related to leases of the premises occupied by the Group as warehouses, specialty stores as well as office. The carrying amounts of the ROU assets of the Group and the Company as at 31 March 2020 were \$9.8 million and \$8.1 million respectively. There was a corresponding increase in the Group’s and Company’s lease liabilities of \$9.9 million and \$8.2 million respectively.

The finance costs from the lease liabilities and the depreciation for the ROU assets amounted to \$0.3 million and \$1.5 million in FY2020 respectively. The principal payments on lease liabilities totalled \$1.7 million in the same period. Other than the adoption of SFRS(I) 16 as disclosed above, the adoption of these new/revised SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I)s did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>Group</b>	
	<u>2020</u>	<u>2019</u>
Earnings per share (in cents)		
Continuing Operations:		
- Basic and diluted	<u>(9.68)</u>	<u>0.35</u>

**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at end of the current financial period reported on and immediately preceding financial year.**

	<b>Group</b>		<b>Company</b>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Net asset value per share (in cents)	34.9	44.8	25.6	26.2

Net assets (including non-controlling interest) (\$'000)	22,050	28,254	16,163	16,556
Number of shares used in calculating net asset value per share ('000)	63,098	63,098	63,098	63,098

**8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(A) Commentary on The Statement of Comprehensive Income of The Group**

**(i) Revenue**

Revenue decreased by 0.5% from \$42.8 million to \$42.6 million as the Group's performance was affected by the spread of the COVID-19 pandemic at the beginning of 2020.

**(ii) Gross Profit**

The gross profit margin dropped from 44.2% to 42.8% due to lower contribution by wholesale distribution division.

**(iii) Interest Income**

Interest income included a \$0.2 million (FY2019: \$0.4 million) financing revenue recognised separately from contracts with customers pursuant to *FRS 115 Revenue from Contracts with Customers*.

**(iv) Other Gains**

The other gains of \$0.3 million consisted primarily of government grants received of \$0.2 million and gain on disposal of plant and equipment of \$0.1 million. Those of FY2019 included a gain on disposal of a plant and equipment of \$0.1 million and government grants received of \$0.3 million.

**(v) Marketing and Distribution Costs, Administrative Expenses**

The double-digit rise in marketing and distribution costs and drop in administrative expenses are the result of the Group's reclassification of warehousing and logistics costs from administrative to distribution function.

The net increase in operating expenses by \$0.1 million was attributable to increase of \$0.6 million in the Group's luggage division in Malaysia, which was partially off-set by decrease of \$0.5 million in staff costs due to reduced working days in Feb'20 and Mar'20.

**(vi) Finance Costs**

The increase in finance costs was primarily attributable to larger trust receipt loans taken out by the Group to finance its bulk purchase of Delsey products.

**(vii) Other Losses**

The other losses of \$5.0 million (FY2019: \$0.3 million) included allowance for impairment on inventories of \$0.3 million (FY2019: \$0.1 million), allowance for impairment on trade and other

receivables of \$4.5 million (FY2019: Nil) and impairment loss on plant and equipment \$0.1 million (FY2019: Nil).

The business operations of the Group's customers were inadvertently disrupted due to the strict government containment measures implemented in Singapore, Malaysia and Indonesia, to combat the rapid spread of the Covid-19 pandemic. Hence, the Group had to provide for the material impairment on the outstanding trade receivables due to difficulty faced in the collectability of such trade receivables.

(viii) **Share of Profit from Equity-Accounted Associate/ Joint Venture**

This year, the Group shared after-tax profit of BYN International Co., Ltd, a 20%-owned associate in Thailand incorporated in August 2017 and Delsey Singapore Pte. Ltd., a 35%-owned associate in Singapore incorporated in October 2016.

(ix) **Income Tax Expense**

The Group's income tax expense arose from tax provisions in respect of profitable Singapore subsidiaries as well as withholding taxes suffered in respect of foreign-sourced income.

(x) **Other Comprehensive (Loss) Income**

Exchange losses/gains on translating foreign operations.

(xi) **Profit (Loss) Attributable to Non-Controlling Interests, Net of Tax**

Non-controlling interests shared \$87,000 net loss of the subsidiaries in the menswear division.

**(B) Commentary on The Consolidated Statements of Financial Position and The Statement of Cash Flows**

(i) During the year, the Group injected further \$57,000 into BYN International Co., Ltd and shared \$5,000 of its post-tax profit. The Group also shared \$8,000 of the post-tax profit of Delsey Singapore Pte. Ltd.

(ii) Inventories increased as a result of bulk purchases for the festive seasons in the 2H FY2020. Stock turnover days maintained in the region of 7 to 8 months.

(iii) The Group's trade and other receivables decreased by 34.2% primarily due to the provision of material impairment as the Group face difficulty in the collectability of such trade receivables from customers in Malaysia and Indonesia.

The Company's trade and other receivables primarily consisted of balances owed from the subsidiaries.

(iv) There was no significant change in creditors' turnover days, at less than 40 days. Trade and other payables decreased by \$1.0 million due to decrease in sundry payables.

(v) Total other financial liabilities increased by \$0.2 million as a result of (a) higher utilisation of overdrafts by \$0.4 million; partly offset by (b) repayments of term loans and finance leases totalling \$0.6 million.

(vi) The cash balance of \$5.5 million was sufficient for the Group's ongoing operations for the next 12 months.

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

On 3 July 2020, the Group issued a profit warning that the Group expects to register a net loss for FY2020. The profitability of the Group in FY2020 was mainly affected by the anticipated material impairment on the outstanding trade receivables of the Group, due to difficulty faced in the collectability of such trade receivables. The business operations of the Group's customers were

inadvertently disrupted due to the strict government containment measures implemented in Singapore, Malaysia and Indonesia, to combat the rapid spread of the Covid-19 pandemic.

The net loss suffered in FY2020 is consistent with the above announcement released.

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

The Covid-19 pandemic has brought an unprecedented amount of uncertainty on the global economy and the travel, tourism, aviation and hospitality industries were adversely impacted as many countries reported outbreaks and implemented travel restrictions.

Initially, the Group was anticipating a 25% to 30% decline in revenue with the restrictions on travelling activities. However, with the world coming to a standstill, we expect further declines in the coming months. Although some countries are slowly lifting their travel restrictions, the outlook is not so optimistic as travellers are still cautious in resuming their travel plans. The threat of COVID-19 would still persist against the tourism industry, until a vaccine against this infection is found. According to a report by the Economist Intelligence Unit (EIU), the world's tourism industry is expected to recover to pre-pandemic levels only in 2023.

In Singapore, the Government has progressively implemented a series of measures to support SMEs and the Group had taken one of the initiative by drawing down the Temporary Bridging Loan (TBL), to bridge the short-term cash flow gaps in the daily operations. The Group is tapping into the government grants awarded to SMEs to Go Digital. Under the Productivity Solutions Grant (PSG), the Group plans to adopt the pre-scoped IT solutions and equipment to streamline workflow and improve operational efficiency. We are also continuing our efforts in expanding our online presence to reduce our reliance on retailers and to build our brand via social media.

**11 If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended).**

No dividend has been declared (recommended) for the current financial year ended 31 March 2020.

**(b)**

	2020	2019
Type of dividend		
First and Final Dividend	Nil	Nil
Tax rate	Not applicable	Not applicable

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

**(d) The date the dividend is payable.**

Not applicable.

**(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

**12 If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared (recommended) for the current financial year ended 31 March 2020 as the Group is conserving cash for business growth and opportunities.

- 13**      **If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Company does not have any general mandate from shareholders pursuant to Rule 920.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

<u>2020</u>	Departmental stores \$'000	Specialty stores \$'000	Third party retailers \$'000	Gifts & corporate sales \$'000	Wholesale distribution \$'000	<u>Group total</u> \$'000
Revenue	24,782	7,792	1,834	1,071	7,092	42,571
Operating Profit (Loss)	2,588	(20)	215	139	(215)	2,707
Interest Income						24
Other Gains						361
Other Losses						(4,914)
Finance Costs						(1,119)
Unallocated Operating Expenses						(2,954)
Income Tax Expense						(303)
Loss from Continuing Operations, Net of Tax						(6,198)

<u>2019</u>	Departmental <u>stores</u> \$'000	Specialty <u>stores</u> \$'000	Third party <u>retailers</u> \$'000	Gifts & corporate <u>sales</u> \$'000	Wholesale <u>distribution</u> \$'000	<u>Group total</u> \$'000
Revenue	25,577	7,818	1,830	778	6,778	42,781
Operating Profit (Loss)	3,386	(381)	320	171	120	3,616
Interest Income						57
Other Gains						274
Other Losses						(41)
Finance Costs						(690)
Unallocated Operating Expenses						(2,817)
Income Tax Expense						(121)
Profit from Continuing Operations, Net of Tax						278

**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Kindly refer to paragraphs 8 and 14.

**16 A breakdown of sales**

	<b>Group</b>		% increase/ (decrease)
	<u>2020</u> \$'000	<u>2019</u> \$'000	
(a) Sales reported for first half year	19,743	18,218	8.4
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(1,705)	(1,354)	25.9
(c) Sales reported for second half year	22,828	24,563	(7.1)
(d) Operating (loss) profit after tax before deducting non-controlling interests reported for second half year	(4,493)	1,632	n.m.



- 17 **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

	<u>2020</u> S\$'000	<u>2019</u> S\$'000
(a) Ordinary	–	–
(b) Preference	–	–
(c) Total	–	–

- 18 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Hoe Kee Kok	71	Brother of Thang Teck Jong (Executive Chairman and substantial shareholder)	Director of Demarco Pte Ltd, a wholly-owned subsidiary of the Company. Responsible for overseeing the overall strategic business plans and directions for the subsidiary. Position held since 2017.	Not applicable.
Kong Ling Ting @ Kang Ling Ting	49	Spouse of Thang Teck Jong (Executive Chairman and substantial shareholder)	Director, Human Resource and Administration. Responsible for the development of systems and procedures for all human resource and administrative functions of the Group. Position held since 2011.	Re-designated from Assistant General Manager since 1 August 2018.
Ho Hee Tong	70	Brother of Thang Teck Jong (Executive Chairman and substantial shareholder)	Information Technology Assistant Manager. Responsible for the maintenance of the information technology system and facilities of the Group. Position held since 2014.	Re-designated from Manager since 1 August 2018.

**19 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).**

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1) of the SGX-ST Listing Manual.

BY ORDER OF THE BOARD

THANG TECK JONG  
Executive Chairman  
30 July 2020