



TRAVELITE HOLDINGS LTD.
(Registration No. 200511089K)

Half Year Financial Statement Announcement For The Six Months Ended 30 September 2021

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

- 1 (a) A condensed interim consolidated 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.

	Notes	Group 6 months ended		+ / (-) %
		Sep 2021 \$'000	Sep 2020 \$'000	
Revenue	4	7,774	5,460	42.4
Cost of sales		(4,108)	(2,945)	39.5
Gross profit		3,666	2,515	45.8
<u>Other items of income</u>				
Interest income		4	–	100.0
Other gains		1,013	2,306	(56.1)
<u>Other items of expense</u>				
Marketing and distribution costs		(3,720)	(3,669)	1.4
Administrative expenses		(1,966)	(1,921)	2.3
Finance costs		(396)	(447)	(11.4)
Other losses		(507)	(463)	9.3
Loss before tax from continuing operations		(1,906)	(1,679)	13.5
Income tax expense	5	(109)	(20)	N.M.
Loss from continuing operations, net of tax		(2,015)	(1,699)	18.6
<u>Other comprehensive income:</u>				
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations, net of tax		(7)	14	N.M.
Other comprehensive (loss)/income for the period, net of tax		(7)	14	
Total comprehensive loss		(2,022)	(1,685)	20.0

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	<u>Notes</u>	Group 6 months ended		+ / (-) %
		<u>Sep 2021</u> \$'000	<u>Sep 2020</u> \$'000	
<u>Loss attributable to owners of the parent, net of tax:</u>				
- from continuing operations		(1,897)	(1,555)	22.0
<u>Loss attributable to non-controlling interests, net of tax:</u>				
- from continuing operations		(118)	(144)	(18.1)
Loss net of tax		<u>(2,015)</u>	<u>(1,699)</u>	18.6
Total comprehensive loss attributable to owners of the parent		(1,904)	(1,541)	23.6
Total comprehensive loss attributable to non-controlling interests		(118)	(144)	(18.1)
Total comprehensive loss		<u>(2,022)</u>	<u>(1,685)</u>	20.0
		<u>Cents</u>	<u>Cents</u>	
Loss per share				
Basic and diluted	6	<u>(3.0)</u>	<u>(2.5)</u>	

N.M. denotes not meaningful

Notes on statement of comprehensive income

	Group 6 months ended	
	<u>Sep 2021</u> \$'000	<u>Sep 2020</u> \$'000
<u>Other gains/(losses)</u>		
Amortisation of other intangible assets	(17)	(18)
Foreign exchange adjustment gains/(losses)	8	(41)
Gain on disposal of plant and equipment	-	3
Government grants received	959	2,303
Plant and equipment written off	(14)	(16)
Inventories written off	(233)	(9)
Allowance for impairment on inventories	(243)	(258)
Allowance for impairment on receivables	-	(121)
Fair value gain on derivative financial instruments	40	-
Reversal of bad debts	6	-
Net	<u>506</u>	<u>1,843</u>
Presented in profit or loss as:		
Other gains	1,013	2,306
Other losses	(507)	(463)
Net	<u>506</u>	<u>1,843</u>
<u>Finance costs</u>		
Interest expense	<u>396</u>	<u>447</u>

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1 (b) (i) A condensed interim statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	<u>Notes</u>	<u>Group</u>			<u>Company</u>		
		<u>2021</u>			<u>2021</u>		
		<u>30 Sep</u>	<u>31 Mar</u>	<u>+ / (-)</u>	<u>30 Sep</u>	<u>31 Mar</u>	<u>+ / (-)</u>
		<u>\$'000</u>	<u>\$'000</u>	<u>%</u>	<u>\$'000</u>	<u>\$'000</u>	<u>%</u>
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	7	18,930	19,509	(3.0)	18,120	18,494	(2.0)
Intangible assets		156	173	(9.8)	–	–	N.M.
Right-of-use assets		9,361	10,080	(7.1)	7,784	7,896	(1.4)
Investments in subsidiaries		–	–	N.M.	15,734	12,734	23.6
Investment in associate		213	213	0.0	–	–	N.M.
Deferred tax assets		34	19	78.9	–	–	N.M.
Other receivables	9	1	2	(50.0)	–	–	N.M.
Total non-current assets		<u>28,695</u>	<u>29,996</u>	<u>(4.3)</u>	<u>41,638</u>	<u>39,124</u>	<u>6.4</u>
<u>Current assets</u>							
Inventories	8	12,049	12,098	(0.4)	–	–	N.M.
Trade and other receivables	9	5,788	7,283	(20.5)	647	3,683	(82.4)
Other non-financial assets		238	245	(2.9)	44	19	N.M.
Cash and cash equivalents	10	11,417	9,768	16.9	1,019	413	N.M.
Total current assets		<u>29,492</u>	<u>29,394</u>	<u>0.3</u>	<u>1,710</u>	<u>4,115</u>	<u>(58.4)</u>
Total assets		<u>58,187</u>	<u>59,390</u>	<u>(2.0)</u>	<u>43,348</u>	<u>43,239</u>	<u>0.3</u>
EQUITY AND LIABILITIES							
<u>Equity attributable to owners of the parent</u>							
Share capital	13	21,831	21,831	0.0	21,831	21,831	0.0
Treasury shares		(2)	(2)	0.0	(2)	(2)	0.0
Accumulated losses		(7,165)	(5,268)	36.0	(7,950)	(7,631)	4.2
Other reserves		196	203	(3.4)	–	–	N.M.
Equity, attributable to owners of the parent, total		<u>14,860</u>	<u>16,764</u>	<u>(11.4)</u>	<u>13,879</u>	<u>14,198</u>	<u>(2.2)</u>
Non-controlling interests		3,837	3,955	(3.0)	–	–	N.M.
Total equity		<u>18,697</u>	<u>20,719</u>	<u>(9.8)</u>	<u>13,879</u>	<u>14,198</u>	<u>(2.2)</u>

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	<u>Notes</u>	<u>Group</u> <u>2021</u>			<u>Company</u> <u>2021</u>		
		<u>30 Sep</u> \$'000	<u>31 Mar</u> \$'000	+ / (-) %	<u>30 Sep</u> \$'000	<u>31 Mar</u> \$'000	+ / (-) %
<u>Non-current liabilities</u>							
Provisions		143	143	0.0	–	–	N.M.
Deferred tax liabilities		119	122	(2.5)	41	41	0.0
Lease liabilities	11	8,684	9,150	(5.1)	7,939	8,020	(1.0)
Other financial liabilities	12	17,759	16,551	7.3	8,802	9,076	(3.0)
Total non-current liabilities		26,705	25,966	2.8	16,782	17,137	(2.1)
<u>Current liabilities</u>							
Income tax payable		240	216	11.1	81	79	2.5
Trade and other payables		3,670	3,209	14.4	6,786	5,957	13.9
Lease liabilities	11	1,046	1,272	(17.8)	159	157	1.3
Other financial liabilities	12	7,551	7,254	4.1	5,546	5,541	0.1
Derivative financial instruments	14	115	155	(25.8)	115	155	(25.8)
Deferred grant income		163	599	(72.8)	–	15	(100.0)
Total current liabilities		12,785	12,705	0.6	12,687	11,904	6.6
Total liabilities		39,490	38,671	2.1	29,469	29,041	1.5
Total equity and liabilities		58,187	59,390	(2.0)	43,348	43,239	0.3

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

	<u>Group</u> <u>2021</u>			
	<u>30 Sep</u>		<u>31 Mar</u>	
	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000	<u>Secured</u> \$'000	<u>Unsecured</u> \$'000
a) Aggregate repayable in one year or less, or on demand	7,345	243	6,603	687
b) Amount payable after one year	17,813	–	16,623	–

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.

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

	Group	
	6 months ended	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Loss before tax	(1,906)	(1,679)
Adjustments for:		
Interest income	4	–
Interest expense	396	447
Depreciation of property, plant and equipment	572	610
Depreciation of right-of-use assets	719	786
Amortisation of other intangible assets	17	18
Allowance of impairment of trade and other receivables	–	121
Gain on disposal of plant and equipment	–	(3)
Plant and equipment written off	14	16
Fair value gain on derivative financial instruments	(40)	–
Inventory written off	233	9
Allowance for impairment of inventories	243	258
Reversal of bad debts	(6)	–
Provisions	–	(12)
Operating cash flows before changes in working capital	<u>246</u>	<u>571</u>
Inventories	(427)	132
Trade and other receivables	1,497	332
Other non-financial assets	7	236
Deferred grant income	(436)	–
Trade and other payables	<u>461</u>	<u>14</u>
Net cash flows from operations before interest and tax	1,348	1,285
Income tax paid	<u>(103)</u>	<u>(20)</u>
Net cash flows from operating activities	<u>1,245</u>	<u>1,265</u>
<u>Cash flows from investing activities</u>		
Disposal of plant and equipment	–	3
Purchase of plant and equipment	<u>(7)</u>	<u>(80)</u>
Net cash flows used in investing activities	<u>(7)</u>	<u>(77)</u>
<u>Cash flows from financing activities</u>		
Principal element of lease payments	(691)	(794)
Interest element of lease payments	(160)	(156)
Increase in new borrowings	2,500	5,000
Decrease in other financial liabilities	(995)	(6,071)
Interest paid	<u>(236)</u>	<u>(291)</u>
Net cash flows from/(used in) financing activities	<u>418</u>	<u>(2,312)</u>

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	Group	
	6 months ended	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
Net increase/(decrease) in cash and cash equivalents	1,656	(1,124)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	9,768	4,998
Net effect of exchange rate changes on cash and cash equivalents	(7)	5
Cash and cash equivalents, consolidated statement of cash flows, ending balance	<u>11,417</u>	<u>3,879</u>
 <u>Analysis of cash and cash equivalents for consolidated statement of cash flows:</u>		
Cash and cash equivalents	11,417	3,979
Cash restricted in use	-	(100)
Cash and cash equivalents for consolidated statement of cash flows purposes	<u>11,417</u>	<u>3,879</u>

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1 (d)(i) A condensed interim 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					Other reserves			
	Total equity	to parent sub-total	Share capital	Accumulated losses	Treasury shares	Foreign currency translation reserve	Gain on changes of non-controlling interests	Loss on reissuance of treasury shares	Non-controlling interests
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>The Group</u>									
Balance at 1 April 2021	20,719	16,764	21,831	(5,268)	(2)	203	–	–	3,955
Movements in equity:									
Total comprehensive loss for the period	(2,022)	(1,904)	–	(1,897)	–	(7)	–	–	(118)
Balance at 30 September 2021	18,697	14,860	21,831	(7,165)	(2)	196	–	–	3,837
Balance at 1 April 2020	22,050	18,570	21,831	(3,593)	(2)	168	248	(82)	3,480
Movements in equity:									
Total comprehensive loss for the period	(1,685)	(1,541)	–	(1,555)	–	14	–	–	(144)
Balance at 30 September 2020	20,365	17,029	21,831	(5,148)	(2)	182	248	(82)	3,336
<u>The Company</u>									
Balance at 1 April 2021	14,198	14,198	21,831	(7,631)	(2)	–	–	–	–
Movements in equity:									
Total comprehensive loss for the period	(319)	(319)	–	(319)	–	–	–	–	–
Balance at 30 September 2021	13,879	13,879	21,831	(7,950)	(2)	–	–	–	–
Balance at 1 April 2020	16,163	16,163	21,831	(5,584)	(2)	–	–	(82)	–
Movements in equity:									
Total comprehensive loss for the period	(145)	(145)	–	(145)	–	–	–	–	–
Balance at 30 September 2020	16,018	16,018	21,831	(5,729)	(2)	–	–	(82)	–

Notes to the Financial Statements
30 September 2021

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 registered office is 53 Ubi Avenue 3 Travelite Building, Singapore 408863. The company is situated in Singapore.

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

The principal activities of the company are those of an investment holding company and the provision of management services. It is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activities of the group are disclosed in Note 2 on segment information.

The financial information contained in this announcement has neither been audited nor reviewed by the auditors.

The latest audited annual financial statements were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

COVID-19 related disclosures

Uncertainties relating to the COVID-19 pandemic:

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the reporting group’s business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the COVID-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties regarding the impact of COVID-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the group. Management will continue to closely monitor the further economic development and its impact. It is however reasonably probable that the COVID-19 pandemic will have an adverse impact on group’s revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Basis of presentation

These condensed consolidated interim financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS (I) s”) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. They are also in compliance with the International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”) and the provisions of the SGX Mainboard Listing Rules.

The accounting policies and methods of computation applied in these condensed consolidated interim financial statements are consistent with those of the latest audited annual financial statements. However, the typical notes and information included in the latest audited annual financial statements are not included in these interim financial statements except for the selected explanatory notes included to explain events and transactions that are significant to an understanding of the changes in the performance and the financial position of the group since the latest audited annual financial statements.

1. General (cont'd)

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 disclosed 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.

Expected credit loss allowance on trade receivables:

The allowance for expected credit losses (ECL) assessment requires a degree of estimation and judgement. It is based on the lifetime ECL for trade receivables. In measuring the expected credit losses, management considers all reasonable and supportable information such as the group's historical trend of these receivables which includes analysis of the age of these receivables, forward-looking information such as forecasts of future economic conditions (including the impact of the COVID-19 pandemic), creditworthiness of the profile of the customers and future collectability. 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.

Allowance on inventories:

The allowance for impairment of inventories assessment requires a degree of estimation and judgement. The level of the loss allowance is assessed by taking into consideration various factors, including macroeconomics, general market conditions, future market demands (including the impact of the COVID-19 pandemic) and physical determination. 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.

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 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 amounts of the specific asset (of class of assets) at the end of the reporting period affected by the assumption are disclosed in the note of property, plant and equipment.

Assessment of carrying amounts of property, plant and equipment and right-of-use assets:

An assessment is made for the reporting year whether there is any indication that the asset may be impaired. If any such indication exists, an estimate is made of the recoverable amount of the asset. The recoverable amounts of cash-generating units if applicable is measured based on the fair value less costs of disposal or value in use calculations. 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 \$28,291,000 for the group.

2. Financial information by operating segments

2A. 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 the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

The group deals in luggage bags, travelling accessories, travel bags, small leather goods, garments and related products, handbags and related products, fashion apparels and related products, knit wears, 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 that is available and that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

- (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, certain other receivables, certain property, plant and equipment, right-of-use assets, certain inventories, intangible assets, deferred tax assets, other assets, provision, other financial liabilities, trade and other payables, income tax payable, finance leases, deferred tax liabilities, certain interest income, finance costs, certain marketing and distribution costs, certain administrative expenses, certain other gains and other losses, share of profit from equity-accounted associate and income tax expense.

The management reporting system evaluates performance based on a number of factors. However the primary profitability measurement is to evaluate segment's operating results before interests and income taxes and other unallocated items.

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2. Financial information by operating segments (cont'd)

2B. Profit or loss from continuing operations and reconciliations

<u>Continuing operations – 6 months ended 30</u> <u>September 2021</u>	<u>Departmental</u> <u>stores</u> \$'000	<u>Specialty</u> <u>stores</u> \$'000	<u>Third party</u> <u>retailers</u> \$'000	<u>Gifts &</u> <u>corporate</u> <u>sales</u> \$'000	<u>Wholesale</u> <u>distribution</u> \$'000	<u>Group total</u> \$'000
Revenue	4,616	1,531	778	111	738	7,774
Operating (loss)/profit	(1,340)	(794)	(52)	(68)	77	(2,177)
Interest income						4
Other gains						1,013
Other losses						(507)
Finance costs						(396)
Unallocated items						157
Income tax expense						(109)
Loss from continuing operations, net of tax						(2,015)

<u>Continuing operations – 6 months ended 30</u> <u>September 2020</u>	<u>Departmental</u> <u>stores</u> \$'000	<u>Specialty</u> <u>stores</u> \$'000	<u>Third party</u> <u>retailers</u> \$'000	<u>Gifts &</u> <u>corporate</u> <u>sales</u> \$'000	<u>Wholesale</u> <u>distribution</u> \$'000	<u>Group total</u> \$'000
Revenue	3,455	504	554	482	465	5,460
Operating loss	(1,823)	(262)	(284)	(578)	(235)	(3,182)
Other gains						2,306
Other losses						(463)
Finance costs						(447)
Unallocated items						107
Income tax expense						(20)
Loss from continuing operations, net of tax						(1,699)

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2. Financial information by operating segments (cont'd)

2C. 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
<u>30 September 2021</u>							
Total assets for reportable segments	4,548	1,029	492	3,411	7	–	9,487
<u>Unallocated assets:</u>							
Property, plant and equipment	–	–	–	–	–	18,619	18,619
Right-of-use assets	–	–	–	–	–	9,361	9,361
Inventories	–	–	–	–	–	8,156	8,156
Cash and cash equivalents	–	–	–	–	–	11,417	11,417
Other unallocated assets	–	–	–	–	–	1,147	1,147
Total group assets	4,548	1,029	492	3,411	7	48,700	58,187
<u>31 March 2021</u>							
Total assets for reportable segments	4,740	1,043	525	4,585	17	–	10,910
<u>Unallocated assets:</u>							
Property, plant and equipment	–	–	–	–	–	19,101	19,101
Right-of-use assets	–	–	–	–	–	10,080	10,080
Inventories	–	–	–	–	–	8,372	8,372
Cash and cash equivalents	–	–	–	–	–	9,768	9,768
Other unallocated assets	–	–	–	–	–	1,261	1,261
Total group assets	4,740	1,043	525	4,585	17	48,582	59,492

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2. Financial information by operating segments (cont'd)

2D. Liabilities and reconciliations

	<u>30 Sep 2021</u>	<u>Group</u> <u>31 Mar 2021</u>
	\$'000	\$'000
<u>Unallocated liabilities:</u>		
Trade and other payables	3,670	3,209
Other financial liabilities	35,040	34,382
Other liabilities	780	1,182
Total group liabilities	<u>39,490</u>	<u>38,773</u>

2E. Other material items and reconciliations

	<u>Departmental stores</u>	<u>Specialty stores</u>	<u>Third party retailers</u>	<u>Wholesale distribution</u>	<u>Unallocated</u>	<u>Group total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<u>30 September 2021</u>						
Capital expenditure	-	-	-	-	7	7
<u>Significant non-cash items:</u>						
Depreciation of property, plant and equipment and right-of-use assets	61	8	11	-	1,211	1,291
Plant and equipment written off	-	-	-	-	14	14
Amortisation of other intangible assets	-	-	-	-	17	17
<u>31 March 2021</u>						
Capital expenditure	35	-	-	-	103	138
<u>Significant non-cash items:</u>						
Depreciation of property, plant and equipment and right-of-use assets	126	46	21	-	2,498	2,691
Plant and equipment written off	-	15	-	-	9	24
Reversal of impairment of property, plant and equipment	-	-	-	-	(41)	(41)
Allowance for impairment on trade receivables	-	-	-	-	233	233
Amortisation of other intangible assets	-	-	-	-	35	35

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3. Related party relationships and transactions

FRS2 24 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.

The ultimate controlling party is Thang Teck Jong.

3A. Related party transactions

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 intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any balances and financial guarantees no interest or charge is imposed unless stated otherwise.

Significant related party transactions:

<u>Other related parties</u>	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
Administrative income ^(a)	(33)	(28)
Service income ^(b)	–	(6)
Royalty expense ^(c)	<u>60</u>	<u>40</u>

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

(b) The related party, Mengkim Holdings Pte Ltd, and the company have a common controlling party.

(c) The related party, Crocodile International Pte Ltd, is controlled by a shareholder of a subsidiary who has significant influence.

<u>Associate</u>	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
Rental income	<u>(86)</u>	<u>(105)</u>

4. Revenue

	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
Sale of goods	6,792	4,736
Royalty income	–	199
Rental income	298	151
Other revenues	<u>684</u>	<u>374</u>
	<u>7,774</u>	<u>5,460</u>

The revenue from sale of goods is recognised at a point in time and all contracts with customers are less than 12 months. The customers are retailers and wholesalers. Certain portion of the goods is exported. Royalty and rental income are recognised over time. Other revenues mainly consist of services charged which is recognised at point in time.

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5. Income tax expense

	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
<u>Current tax expense:</u>		
Current tax expense	127	21
<u>Deferred tax income:</u>		
Deferred tax income	(18)	(1)
Total income tax expense	<u>109</u>	<u>20</u>

6. Loss per share

The following table sets out the numerators and denominators used to calculate basic and diluted loss per share of no par value:

	<u>Group</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
	\$'000	\$'000
A. Numerators: loss attributable to equity:		
Continuing operations: attributable to equity holders	<u>(1,897)</u>	<u>(1,555)</u>
	<u>Sep 2021</u>	<u>Sep 2020</u>
	'000	'000
B. Denominators: weighted average number of equity shares:		
Basic and diluted	<u>63,098</u>	<u>63,098</u>

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7. Property, plant and equipment

<u>Group</u>	<u>Leasehold properties</u> \$'000	<u>Equipment and leasehold improvements</u> \$'000	<u>Total</u> \$'000
<u>Cost:</u>			
At 1 April 2020	19,864	5,510	25,374
Additions	–	138	138
Disposals/write off	–	(246)	(246)
At 31 March 2021	19,864	5,402	25,266
Additions	–	7	7
Disposals/write off	–	(22)	(22)
At 30 September 2021	19,864	5,387	25,251
<u>Accumulated depreciation and impairment losses:</u>			
At 1 April 2020	1,604	3,156	4,760
Depreciation for the year	503	710	1,213
Disposals	–	(175)	(175)
Reversal of impairment for the year	–	(41)	(41)
At 31 March 2021	2,107	3,650	5,757
Depreciation for the period	251	321	572
Disposals	–	(8)	(8)
At 30 September 2021	2,358	3,963	6,321
<u>Carrying value:</u>			
At 1 April 2020	18,260	2,354	20,614
At 31 March 2021	17,757	1,752	19,509
At 30 September 2021	17,506	1,424	18,930
		<u>Group</u>	
		<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
		\$'000	\$'000
Net book value of plant and equipment under lease liabilities		138	288

8. Inventories

	<u>Group</u>	
	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	\$'000	\$'000
Finished goods and goods for resale	12,049	12,098
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the period/year	3,413	1,372
Charged to profit or loss included in other losses	243	2,041
Balance at end of the period/year	3,656	3,413
Changes in inventories of finished goods and goods for resale	(49)	(3,320)
The amount of inventories included in cost of sales	3,593	8,735

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9. Trade and other receivables

	<u>30 Sep 2021</u>	<u>Group</u> <u>31 Mar 2021</u>
	\$'000	\$'000
<u>Trade receivables:</u>		
Outside parties	9,362	10,591
Less allowance for impairment – outside parties	<u>(4,894)</u>	<u>(4,894)</u>
Net trade receivables, sub-total	<u>4,468</u>	<u>5,697</u>
<u>Other receivables:</u>		
Related parties	43	28
Deposits to secure services	744	661
Staff advances	44	65
Outside parties	354	475
Less allowance for impairment – outside parties	<u>(27)</u>	<u>(27)</u>
Government grant receivables	163	386
Net other receivables, sub-total	<u>1,321</u>	<u>1,588</u>
Total trade and other receivables	<u>5,789</u>	<u>7,285</u>
Disclosed as:		
Trade and other receivables, current	5,788	7,283
Other receivables, non-current	<u>1</u>	<u>2</u>
	<u>5,789</u>	<u>7,285</u>
<u>Movements in above allowances:</u>		
Balance at beginning of the year	4,921	4,755
Charge for trade and other receivables to profit or loss included in other losses	–	233
Used	<u>–</u>	<u>(67)</u>
Balance at end of the year	<u>4,921</u>	<u>4,921</u>

10. Cash and cash equivalents

	<u>30 Sep 2021</u>	<u>Group</u> <u>31 Mar 2021</u>
	\$'000	\$'000
Not restricted in use	<u>11,417</u>	<u>9,768</u>

11. Lease liabilities

Lease liabilities are presented in the statements of financial position as follows:

	<u>30 Sep 2021</u>	<u>Group</u> <u>31 Mar 2021</u>
	\$'000	\$'000
Lease liabilities, current	1,046	1,272
Lease liabilities, non-current	<u>8,684</u>	<u>9,150</u>
	<u>9,730</u>	<u>10,422</u>

The obligation under finance leases are secured over the leased assets.

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12. Other financial liabilities

	<u>Group</u>	
	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	\$'000	\$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rate:</u>		
Bank loans (secured)	17,759	16,551
Non-current, total	<u>17,759</u>	<u>16,551</u>
<u>Current:</u>		
<u>Financial instruments with floating interest rate:</u>		
Bank loans (secured)	7,308	6,567
Bills payable to banks	243	687
Current, total	<u>7,551</u>	<u>7,254</u>
Total	<u>25,310</u>	<u>23,805</u>

The range of floating interest rates paid was as follows:

	<u>Group</u>	
	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	%	%
Bank loans (secured)	1.98 – 3.50	1.98 – 3.50
Bills payable to banks	<u>1.93 – 2.81</u>	<u>1.93 – 2.32</u>

The bank loans of the company are secured by first legal mortgages on leasehold properties of the company and a subsidiary, assignment of rental proceeds from the aforementioned leasehold properties and corporate guarantees from certain subsidiaries in favour of the lender. The bank agreement also provides for the need to comply with certain financial covenants by the company.

The fair value (Level 2) of the bank loans is a reasonable approximation of carrying amount as they are floating rate debt instruments that are re-set regularly at one, three or six month intervals.

13. Share capital

	Number of shares <u>issued</u> '000	Share capital <u>'000</u>
<u>Group and Company</u>		
Balance at 1 April 2020, 31 March 2021 and 30 September 2021	<u>63,106</u>	<u>21,831</u>

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

	Number of treasury <u>shares</u> '000	<u>Cost</u> \$'000
Number at 1 April 2020, 31 March 2021 and 30 September 2021	<u>8</u>	<u>2</u>

The company is not subject to any externally imposed capital requirement.

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14. Derivative financial instruments

The table below summarises the fair value of derivatives engaged into at the end of the period/year. All derivatives are not designated as hedging instruments.

	<u>Group</u>	
	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	\$'000	\$'000
<u>Liabilities – Derivatives with negative fair values:</u>		
Interest rate swaps (Note 14A)	115	155
	<u>115</u>	<u>155</u>

	<u>Group</u>	
	<u>30 Sep 2021</u>	<u>31 Mar 2021</u>
	\$'000	\$'000
<u>Movements during the period/year as follows:</u>		
At beginning of the period/year	155	–
Fair value changes recognised in profit or loss	(40)	155
At end of the period/year	<u>115</u>	<u>155</u>

14A. Interest rate swaps

The notional amount of interest rate swaps is \$4.0 million (2021: \$4.0 million). They are designed to convert floating rate borrowings to fixed rate exposure. The group pays the fixed interest rate of 3.39% per annum, and receives a variable rate equal to the Singapore swap offer rate on the notional contract amount (Level 2). The interest rate swaps will expire on May 2022.

15. Changes and adoption of financial reporting standards

The same accounting policies and methods of computation used in the latest audited annual financial statements have been applied.

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- 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 31 March 2021 till 30 September 2021.

The number of shares held as treasury shares as at 30 September 2021 and 30 September 2020 was 7,800 (0.01%).

There were no outstanding convertibles or subsidiary holdings as at 30 September 2021 and 30 September 2020.

- 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 period was 63,098,409 (31 March 2021: 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 period ended 30 September 2021.

- 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.**

The adoption policies and method of computation applied in the financial statements for the current financial period are consistent with those applied in the audited financial statements for the year ended 31 March 2021.

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- 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.**

The adoption of the new/revised accounting policies has not resulted in any substantial changes to the Group's accounting policies nor any significant impact on these financial statement.

- 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.**

	<u>Group</u>	
	<u>Sep 2021</u>	<u>Sep 2020</u>
Loss per share (in cents)		
Continuing operations:		
- Basic and diluted	<u>(3.0)</u>	<u>(2.5)</u>

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

	<u>Group</u> <u>2021</u>		<u>Company</u> <u>2021</u>	
	<u>30 Sep</u>	<u>31 Mar</u>	<u>30 Sep</u>	<u>31 Mar</u>
Net asset value per share (in cents)	23.6	26.6	22.0	22.5
Net assets (excluding non-controlling interest) (\$'000)	14,860	16,764	13,879	14,198
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 increased by 42.4% year-on-year as the Group's performance in prior year was affected by the 2 months of Circuit Breaker in April 2020 and May 2020 to curb the spread of the COVID-19 pandemic.

(ii) **Gross Profit**

The gross profit margin of 47.2% in 1H FY2022 was better as compared to 46.1% achieved in 1H FY2021 mainly due to higher contribution by specialty stores and wholesale distribution divisions.

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(iii) **Interest Income**

Amount was \$4,000 in 1H FY2022 (1H FY2021: NIL) was recognised as finance income pursuant to SFRS(I) 15 *Revenue from Contracts with Customers*.

(iv) **Other Gains**

The other gains of \$1,013,000 (1H FY2021: \$2,306,000) include government grants received of \$959,000 (1H FY2021: \$2,303,000) and other gains of \$53,000 (1H FY2021: NIL). Government grants received was mainly related to the Job Support Scheme (JSS) pay-outs received and rental concession.

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

Operating expenses/revenue ratio improved in 1H FY2022 as compared to prior year, due to the increase in revenue. Depreciation of right-of-use assets totalling \$0.8 million (1H FY2021: \$0.8 million) was recognised pursuant to SFRS(I) 16.

(vi) **Finance Costs**

The decrease in finance costs was primarily due to settlement of trust receipts with financial institutions.

(vii) **Other Losses**

Impairment losses on inventories of \$243,000 (1H FY2021: \$259,000) and inventories written off amounting to \$233,000 (1H FY2021: NIL) made up the bulk of the other losses.

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

(i) The Group and Company ROU assets totalling \$10.1 million and \$7.9 million respectively, on 1 April 2021. Depreciation amounting to \$0.8 million was charged in 1H FY2022.

(ii) The increase in revenue during this period, resulted in improvement of the Group's inventories management. Stock turnover days in 1H FY2022 decreased to 18 months (1H FY2021: 31 months).

(iii) The Group's trade receivables decreased by \$1.5 million primarily due to collections from certain customers of the Group. Debtors' turnover days decreased from 7 months in 1H FY2021 to 3 months.

(iv) Trade and other payables increased by \$0.4 million mainly due to slower repayment to suppliers. Creditors' turnover days in 1H FY2022 is 111 days (1H FY2021: 154 days).

(v) Total other financial liabilities increased by \$1.5 million as a result of (a) increase in Temporary Bridging Loan (TBL) amounting to \$2.5 million; which was off-set by (b) repayment of bills payable amounting to \$1.0 million. \$5.0 million out of the Group's and the Company's current other financial liabilities was loans without fixed tenures and may be rolled over upon maturity for extended tenures i.e. revolving tenures.

(vi) As at 30 September 2021, the Group's cash and cash equivalents of \$11.4 million was sufficient for its ongoing operations.

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

There was no profit forecast issued for the financial period under review.

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.

Singapore has one of the fastest vaccination rollout globally. As of 9 Nov 2021, 85% of Singapore's population had been fully vaccinated and recently, the government had simplified health protocols to prepare the nation to live in the new normal with COVID-19. Hence, according to the Trade and Industry Ministry, the Singapore economy is expected to see a gradual recovery and is expected to grow between 6% and 7% by end of this year.

With the inception of Vaccinated Travel Lanes (VTL), vaccinated travellers can enjoy quarantine free travel between Singapore and the following countries: Australia, Canada, Denmark, France, Germany, Italy, the Netherlands, Spain, the United Kingdom, and the United States. After almost 2 years of border closures, Singapore and Malaysia have agreed to launch VLT for travels between Changi Airport and Kuala Lumpur International Airport (KLIA) with effect from 29 November 2021. Moving forward, Singapore hopes to establish more of these VTL arrangements with countries which are considered safe and have demonstrated considerable success in containing and combating the COVID-19 pandemic within their respective borders.

With this prospect in view, the Group will continue to persist in our efforts to build new capabilities that will help pivot our business to seize any arising opportunities that present themselves in the post-pandemic economy.

11 Dividends:

(a) Current financial period reported on

No dividend has been declared for this current financial period reported on.

(b) Corresponding period of the immediately preceding financial year

No dividend has been declared for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for this current financial period reported on 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.

14 Negative confirmation pursuant to Rule 705 (5)

To the best of our knowledge, nothing material has come to the attention of the Board which may render the financial period results ended 30 September 2021 to be false or misleading in any material aspect.

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15 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
12 November 2021