TRAVELITE HOLDINGS LTD.
(Registration No. 200511089K)

Half Year Financial Statement Announcement For The Six Months Ended 30 September 2015

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

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 6 months ended		
	Sep 2015 $'000	Sep 2014 $'000	+ / (-) %
Revenue	18,909	21,002	(10.0)
Cost of Sales	(12,973)	(14,384)	(9.8)
Gross Profit	5,936	6,618	(10.3)
Other Items of Income			
Interest Income	56	57	(1.8)
Other Credits	369	59	N.M.
Other Items of Expense			
Marketing and Distribution Costs	(5,192)	(5,747)	(9.7)
Administrative Expenses	(2,191)	(2,425)	(9.6)
Finance Costs	(109)	(120)	(9.2)
Other Charges	(1,128)	(68)	N.M.
Share of Profit from Equity-Accounted Joint Venture	28	–	N.M.
Loss Before Tax From Continuing Operations	(2,231)	(1,626)	37.2
Income Tax Expense	(41)	(196)	(79.1)
Loss From Continuing Operations, Net of Tax	(2,272)	(1,822)	24.7
Other Comprehensive Loss:			
Exchange Differences on Translating Foreign Operations, Net of Tax	385	(15)	N.M.
Total Comprehensive Loss	(1,887)	(1,837)	2.7
Loss Attributable to Owners of the Parent, Net of Tax	(2,222)	(1,822)	22.0
Loss Attributable to Non-Controlling Interests, Net of Tax	(50)	–	N.M.
Loss Net of Tax	(2,272)	(1,822)	24.7
Total Comprehensive Loss Attributable to Owners of the Parent	(1,837)	(1,837)	0.0
Total Comprehensive Loss Attributable to Non-Controlling Interests	(50)	–	N.M.
Total Comprehensive Loss	(1,887)	(1,837)	2.7

N.M. : Not Meaningful

Notes on Statement of Comprehensive Income

	Group 6 months ended	
	Sep 2015 $'000	Sep 2014 $'000
Other Credits (Charges)		
Amortisation of other intangible assets	–	(24)
Foreign exchange adjustment (losses) gains	(1,092)	2
Gain on disposal of plant and equipment	39	–
Government grant received	93	24
Plant and equipment written off	(2)	(44)
Inventories written off	(34)	–
Reversal of allowance for impairment on inventories	237	33
Net	(759)	(9)
Presented in profit or loss as:		
Other Credits	369	59
Other Charges	(1,128)	(68)
Net	(759)	(9)
Finance Costs		
Interest expense	109	120

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		
	2015			2015		
	30 Sep	31 Mar	+ / (-)	30 Sep	31 Mar	+ / (-)
	$'000	$'000	%	$'000	$'000	%
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	3,309	3,441	(3.8)	186	206	(9.7)
Intangible Assets	–	–	N.M.	–	–	N.M.
Investments in Subsidiaries	–	–	N.M.	14,167	14,167	0.0
Investment in Associate	–	–	N.M.	–	–	N.M.
Investment in Joint Arrangement	41	13	215.4	–	–	N.M.
Deferred Tax Assets	10	9	11.1	–	–	N.M.
Total Non-Current Assets	3,360	3,463	(3.0)	14,353	14,373	(0.1)
Current Assets						
Inventories	10,778	11,396	(5.4)	–	–	N.M.
Trade and Other Receivables	12,423	14,281	(13.0)	540	2,267	(76.2)
Other Assets	444	384	15.6	24	21	14.3
Cash and Cash Equivalents	8,041	10,102	(20.4)	3,688	3,082	19.7
Total Current Assets	31,686	36,163	(12.4)	4,252	5,370	(20.8)
Total Assets	35,046	39,626	(11.6)	18,605	19,743	(5.8)
EQUITY AND LIABILITIES						
Equity, Attributable to Owners of The Parent						
Share Capital	21,831	21,831	0.0	21,831	21,831	0.0
Treasury Shares	(387)	(387)	0.0	(387)	(387)	0.0
Retained Earnings	211	2,433	(91.3)	(3,978)	(2,215)	79.6
Other Reserve	491	106	363.2	–	–	N.M.
Equity, Attributable To Owners of the Parent, Total	22,146	23,983	(7.7)	17,466	19,229	(9.2)
Non-Controlling Interests	–	50	(100.0)	–	–	N.M.
Total Equity	22,146	24,033	(7.9)	17,466	19,229	(9.2)
Non-Current Liabilities						
Provisions	130	130	0.0	–	–	N.M.
Deferred Tax Liabilities	75	79	(5.1)	–	–	N.M.
Finance Leases	90	149	(39.6)	48	65	(26.2)
Other Financial Liabilities	–	42	(100.0)	–	–	N.M.
Total Non-Current Liabilities	295	400	(26.3)	48	65	(26.2)

	Group 2015			Company 2015		
	30 Sep $'000	31 Mar $'000	+ / (-) %	30 Sep $'000	31 Mar $'000	+ / (-) %
Current Liabilities						
Income Tax Payable	132	132	0.0	17	18	(5.6)
Trade and Other Payables	6,342	6,333	0.1	1,041	399	160.9
Finance Leases	128	115	11.3	33	32	3.1
Other Financial Liabilities	6,003	8,613	(30.3)	–	–	N.M.
Total Current Liabilities	12,605	15,193	(17.0)	1,091	449	143.0
Total Liabilities	12,900	15,593	(17.3)	1,139	514	121.6
Total Equity and Liabilities	35,046	39,626	(11.6)	18,605	19,743	(5.8)

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

	Group 2015			
	30 Sep		31 Mar	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
a) Aggregate repayable in one year or less, or on demand	128	6,003	115	8,613
b) Amount payable after one year	90	–	149	42

The facilities are secured or covered by:

1) Corporate guarantee from the Company in favour of certain subsidiaries;
2) Negative pledge on the assets of a subsidiary; and
3) 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 6 months ended	
	Sep 2015	Sep 2014
	$'000	$'000
Cash Flows From Operating Activities		
Loss Before Tax	(2,231)	(1,626)
Adjustments for:		
Interest Income	(56)	(57)
Interest Expense	109	120
Share of the Profit of Joint Venture	(28)	–
Depreciation of Property, Plant and Equipment	275	321
Amortisation of Other Intangible Assets	–	24
Gain on Disposal of Plant and Equipment	(39)	–
Plant and Equipment Written Off	2	44
Provisions	–	4
Operating Cash Flows Before Changes in Working Capital	(1,968)	(1,170)
Inventories	618	(636)
Trade and Other Receivables	1,862	(4,723)
Other Assets	(60)	97
Trade and Other Payables	868	601
Provisions	–	(6)
Net Cash Flows From (Used in) Operations Before Interest and Tax	1,320	(5,837)
Income Tax Paid	(50)	(185)
Net Cash Flows From (Used in) Operating Activities	1,270	(6,022)
Cash Flows From Investing Activities		
Disposal of Plant and Equipment	38	40
Purchase of Plant and Equipment	(151)	(196)
Investment in Joint-Venture Company	–	(13)
Interest Received	56	57
Net Cash Flows Used in Investing Activities	(57)	(112)
Cash Flows From Financing Activities		
Finance Lease Repayments	(46)	(69)
Decrease in Other Financial Liabilities	(2,652)	(2,228)
Interest Paid	(109)	(120)
Net Cash Flows Used in Financing Activities	(2,807)	(2,417)
Net Decrease in Cash and Cash Equivalents	(1,594)	(8,551)
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Beginning Balance	10,102	17,518
Net Effect of Exchange Rate Changes on Cash and Cash Equivalents	(467)	50
Cash and Cash Equivalents, Consolidated Statement of Cash Flows, Ending Balance	8,041	9,017

	Group	
	6 months ended	
	Sep 2015	Sep 2014
	$'000	$'000
Analysis of Cash and Cash Equivalents for Consolidated Statement of Cash Flows:		
Cash and Cash Equivalents	8,041	9,345
Bank Overdrafts	–	(328)
Cash and Cash Equivalents for Consolidated Statement of Cash Flows Purposes	8,041	9,017

Note:

Event Occurring After the Reporting Period

On 22 October 2015, YG Marketing Pte. Ltd. ("**YG**"), a wholly-owned subsidiary of the Company and SYI Co (Pte) Ltd (another wholly owned subsidiary of the Company), entered into a sale and purchase agreement with the vendor for the proposed acquisition by YG of 50% of the issued and paid-up share capital of Singapore Crocodile (1968) Pte Ltd.

Please refer to announcement released on 22 October 2015 on the same for details.

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.

	Total Equity	Attributable To Parent Sub-total	Share Capital	Retained Earnings	Treasury Shares	Foreign Currency Translation Reserve	Non-Controlling Interests
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
The Group							
Balance at 1 April 2015	24,033	23,983	21,831	2,433	(387)	106	50
Movements in Equity:							
Total Comprehensive (Loss) Income for the Period	(1,887)	(1,837)	–	(2,222)	–	385	(50)
Balance at 30 September 2015	22,146	22,146	21,831	211	(387)	491	–
Balance at 1 April 2014	28,375	28,375	21,831	6,937	(387)	(6)	–
Movements in Equity:							
Total Comprehensive Loss for the Period	(1,837)	(1,837)	–	(1,822)	–	(15)	–
Balance at 30 September 2014	26,538	26,538	21,831	5,115	(387)	(21)	
The Company							
Balance at 1 April 2015	19,229	19,229	21,831	(2,215)	(387)	–	–
Movements in Equity:							
Total Comprehensive Loss for the Period	(1,763)	(1,763)	–	(1,763)	–	–	–
Balance at 30 September 2015	17,466	17,466	21,831	(3,978)	(387)	–	–
Balance at 1 April 2014	22,675	22,675	21,831	1,231	(387)	–	–
Movements in Equity:							
Total Comprehensive Income for the Period	17	17	–	17	–	–	–
Balance at 30 September 2014	22,692	22,692	21,831	1,248	(387)	–	–

1 (d) (ii) Details of any changes in the company's share capital arising from right issue, bonus issue, 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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, 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.

During the six months ended 30 September 2015, the Company undertook a share consolidation of every five (5) existing shares in the share capital of the Company into three (3) consolidated shares, which was approved by the shareholders at the Extraordinary General Meeting of the Company held on 24 July 2015 (the "**Share Consolidation**").

Following the completion of the Share Consolidation, which became effective on 5 August 2015, the total number of issued shares of the Company excluding treasury shares as at 30 September 2015 was 61,571,409 after disregarding any fractions of a consolidated share arising from the Share Consolidation.

	Number of issued shares	Share capital $'000
Ordinary shares		
Balance at 1 April 2015	105,177,020	21,831
Share Consolidation	(42,070,811)	–
Balance at 30 September 2015	63,106,209	21,831

	Number of issued shares held as treasury shares	Share capital $'000
Ordinary shares		
Balance at 1 April 2015	2,558,000	387
Share Consolidation	(1,023,200)	–
Balance at 30 September 2015	1,534,800	387

There were no outstanding convertibles.

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.

	Sep 2015	Mar 2015
Total number of issued shares	63,106,209	105,177,020
Treasury shares	(1,534,800)	(2,558,000)
Total number of issued shares excluding treasury shares	61,571,409	102,619,020

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

No treasury shares were sold, transferred, disposed of, cancelled or used during the period ended 30 September 2015. Please refer to 1(d)(ii) on Share Consolidation.

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 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 2015 except for the adoption of the applicable new and revised Financial Reporting Standards (FRS) and INT FRS that that mandatory for the financial period beginning 1 April 2015. The adoption of these FRS and INT FRS has no significant impact on the financial statements.

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.

Not applicable.

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.

	Group	
	Sep 2015	Sep 2014
Loss per share (in cents)		
- Basic and diluted	(3.61)	(2.96)

Basic and diluted loss per ordinary share is calculated based on loss for the period attributable to owners of the parent of $2,222,000 (2014: $1,822,000) divided by the weighted average number of issued shares (excluding treasury shares) of 61,571,409. For comparison, the loss per share for the corresponding period last year was recomputed based on the weighted average number of issued shares adjusted for Share Consolidation of 61,571,409.

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.

	Group		Company	
	2015		2015	
	30 Sep	31 Mar	30 Sep	31 Mar
Net asset value per share (in cents)	36.0	39.0	28.4	31.2
Net assets (including non-controlling interest) ($'000)	22,146	24,033	17,466	19,229
Number of shares used in calculating net asset value per share ('000)	61,571	61,571	61,571	61,571

The Group's and the Company's net assets value per share for the period ended 30 September 2015 were computed based on 61,571,409 issued shares excluding treasury shares subsequent to the Share Consolidation. The number of issued shares used for the calculation of those for the comparatives has been adjusted for the effect of the Share Consolidation.

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 $2.1 million or 10.0%, from $21.0 million in 1H FY2015 to $18.9 million in 1H FY2016. This decrease was primarily due to lower demand for the Group's products.

(ii) **Gross Profit**

The gross profit margin remained substantially similar to that of 1H FY2015, at 31.4%.

(iii) **Other Credits**

The other credits of $369,000 (1H FY2015: $59,000) include reversal of allowance for impairment on inventories of $237,000 (1H FY2015: $33,000) and government grants received of $93,000 (1H FY2015: $24,000).

(iv) **Distribution Costs and Administrative Expenses**

The total decrease in expenses of $0.8 million was a result of the Group's cost management and control.

(v) **Other Charges**

Foreign exchange adjustment losses of $1.1 million made up the bulk of the other charges. The losses arose from the cash and receivables balances denominated in Malaysian Ringgit which suffered unprecedented depreciation lately, compounded by the recent strengthening of United States Dollar, in which the Group's purchases are mainly denominated. The previous financial period's charges of $68,000 consist of plant and equipment written off of $44,000 and amortisation of other intangible assets of $24,000.

(vi) **Share of Profit from Equity-Accounted Joint Venture**

The Group shared 50% of the post-tax profit of a joint-venture company in Cambodia, incorporated in FY2015.

(vii) **Income Tax Expense**

There were income tax expenses of $41,000 arising primarily from withholding taxes paid.

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

(i) The Group's inventories reduced by $0.6 million as a result of deliberate purchases control amidst the soft retail environment. Year-on-year stock turnover days shortened from 6 months to 5 months.

(ii) The drop in trade and other receivables by $1.9 million is attributable to lower sales in the few months preceding to period-end as well as improved collection period from customers.

(iii) Trade and other payables remained in the region of $6.3 million as a result of purchases and expenses control.

(iv) The reduction of $2.7 million in total other financial liabilities was due to lower utilisation of bills payables by $2.6 million coupled by repayments of term loan and finance leases of $0.1 million.

(v) The surge in other reserve is a result of the weakened Malaysian Ringgit relative to the Group's functional currency, Singapore Dollar.

(vi) As at 30 September 2015, the Group's cash and cash equivalents of $8.0 million was maintained at a sufficient level 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.

On 29 October 2015, the Group issued a profit warning that the Group expects to register a net loss for the half year ended 30 September 2015 ("1H FY2016"). The profitability of the Group in 1H FY2016 was mainly affected by lower demand for the Group's products.

The net loss suffered for the financial period ended 30 September 2015 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.

Given the weak economic outlook for Asia, the Group expects consumer sentiment to remain subdued. The implementation of Goods and Services Tax in Malaysia and weaker regional currencies against the US Dollar will continue to affect revenue in the near future.

On 22 October 2015, the Group announced the acquisition of 50% of the issued and paid-up share capital of Singapore Crocodile (1968) Pte Ltd. Upon successful completion, we expect to derive better purchase and operational efficiency from this partnership in the coming financial years.

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.

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 2015 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

HOE KEE KOK
Executive Director
11 November 2015