



**TRAVELITE HOLDINGS LTD.**

(Incorporated in Singapore)

(Company Registration Number: 200511089K)

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**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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The Board of Directors of Travelite Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to provide the following additional information in response to the queries raised by the Singapore Exchange Securities Trading Limited on 13 June 2022 in relation to the Group’s unaudited consolidated financial statements for the financial year ended 31 March 2022 (“**FY2022**”) announced on 27 May 2022:

**Query 1**

Please explain why the Group’s interest income amounted to only \$2,000 in FY2022 when the Company has significant cash and bank balances amounting to \$13.289 million in the same financial year.

**Response**

The cash and bank balances were placed in non-interest bearing account for working capital purposes.

**Query 2**

Please provide the reason(s) for the increase in borrowings of \$2.5 million by the Group as reflected in the cashflow statement for FY2022 when the Group recorded a cash and cash equivalents of \$13.829 million as at FY2022. Accordingly, please disclose:

- a. Details of the loan(s), including the terms of the loan(s), interest on loans and maturity dates;
- b. A breakdown of the lenders and their identities (and its ultimate beneficial shareholders and directors if this is not a bank);
- c. When were the loans obtained and approved by the Board including the Audit Committee; and
- d. The use of proceeds from the loan(s).

**Response**

The increase in borrowings of \$2.5 million by the Group is mainly due to drawdown of Temporary Bridging Loans (TBL) in September 2021. The loans are for working capital purposes.

- (a) Details of the loans are as follows:-

Bank	Loan Amount	Interest Rate	Tenor	Maturity Date
DBS Bank Ltd	\$1,000,000	2%	5 years	September 2026
UOB Bank Ltd	\$1,500,000	2%	5 years	September 2026

- (b) Please refer to reply in (a) for the breakdown of lenders.
- (c) The loans were obtained in September 2021 and duly approved by the Board.
- (d) The proceeds from the loans are solely for working capital purposes.

### **Query 3**

In the statement of financial position, inventory decreased to \$9.923 million from \$12.098 million, reflecting a decrease of \$2.175 million. Please reconcile this to the change of \$2.983 million for FY2022 reported by the Group in its cashflow statement and for the \$3.410 million change reported for 2H FY2022.

### **Response**

Reconciliation for the change of inventories in cashflow statements as per below:-

	<b>FY2022</b>	<b>2H FY2022</b>
<b>Description</b>	<b>\$'000</b>	<b>\$'000</b>
Change in inventories	2,175	2,126
Non-cash adjustments:- Reversal - allowance for impairment in inventories	771	1,014
Inventory written back	233	270
Insurance compensation due to flood (see below for explanation)	(196)	-
Reported in cashflow statement	2,983	3,410

In 2H FY2022, we received compensation from insurance company due to a flood incident in an external warehouse.

### **Query 4**

In the statement of financial position, trade and other receivables increased to \$7.796 million in FY2022 from \$7.283 million in FY2021, reflecting an increase of \$513,000. Please reconcile the decrease of \$275,000 reflected as the change in trade and other receivables in the cashflow statement in FY2022. Please also elaborate why trade and other receivables were collected only in 2H FY2022. In this respect, we had noted that the change from trade and other receivables was \$1.976 million in 2H FY2022 compared to \$275,000 for the whole of FY2022.

### **Response**

Reconciliation of trade and other receivables as per below:-

	<b>FY2022</b>	<b>2H FY2022</b>
<b>Description</b>	<b>\$'000</b>	<b>\$'000</b>
Change in trade and other receivables	(513)	(2,008)
Non-cash adjustments: Reversal of impairment of trade and other receivables	40	34
Insurance compensation due to flood	196	-
Other	(2)	(2)
Reported in cashflow statement	(275)	(1,976)

The collections from trade and other receivables were more significant in 2H FY2022 due to the improvement in the Group's performance as travel restrictions were gradually lifted and international travelling was slowly resumed.

### **Query 5**

Please disclose the status of sales/status of the \$2.041 million impaired inventory written off in FY2021.

### **Response**

Reversal for impairment of inventories amounted to \$0.771 million in FY2022 due to the inventories being sold in FY2022.

### **Query 6**

Please explain why stock turnover days in FY2022 decreased to 4.4 months from 15 months in FY2021.

### **Response**

Decrease in stock turnover days in FY2022 is in line with the increase in revenue of 38.8%. The Group made lesser purchases of stock and sold its existing stock.

### **Query 7**

The Group disclosed that total financial liabilities increased by \$1.1 million mainly due to the increase in Temporary Bridging Loan (TBL) which amounted to \$2.5 million. Accordingly, please disclose:

- a. Details of the loan, including terms of the loan, interest on the loan and maturity date;
- b. The use of proceeds from the loan; and
- c. Reasons why the Group had applied for the TBL when it has cash and cash equivalents of \$13.289 million.

### **Response**

- (a) Please refer to reply in Query 2 for details of the loans.
- (b) The proceeds from the loans are solely for working capital purposes.
- (c) The Group applied for the TBL back in September 2021, when there were still uncertainties surrounding the recovery of the travel industry. Travel restrictions and social distancing measures were in place in many countries, including Singapore. The focus of the local government at that time was to increase the vaccination rate amongst its population. The Group's performance improved during 2H FY2022, when travel restrictions were gradually lifted and international travelling was slowly resumed.

By Order of the Board

Thang Teck Jong  
Executive Chairman  
15 June 2022