TRAVELITE HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration Number: 200511089K)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON FULL YEAR FINANCIAL STATEMENTS ENDED 31 MARCH 2017

In response to the queries raised by the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 6 June 2017 in relation to the Company's Full Year Financial Statements Announcement for the Year ended 31 March 2017 ("FY2017 Results"), the Board of Directors of Travelite Holdings Ltd. (the "Company" and together with its subsidiaries, the "Group") wishes to provide the following additional information:

Question 1

On Page 11 of the Company's FY2017 results, the Company announced that "The Group incurred higher marketing and distribution costs ($1.9 million) and administrative expenses ($2.0 million) due to the larger menswear division, whose operating expenses-revenue ratio is typically higher than the Group's". Please:-

i. Provide a breakdown and elaborate on the reasons for the S$2 million or 43% increase in Administrative Expenses which is material when compared to the Company's Net Profit of $411,000; and

ii. Elaborate why menswear division has higher administrative expenses than the Group.

Response:

i. The increase in Administrative Expenses was mainly attributed to administrative expenses incurred by a subsidiary acquired in January 2016. These amounted to $375,000 in FY2016, and $1,574,000 in FY2017. There was also an increase in manpower costs due to larger headcount and pay adjustments. Other than this, there is no significant variance in the annual total expenses.

ii. On page 11 of the Company's FY2017 Results, it was stated that "*The Group incurred higher marketing and distribution costs ($1.9 million) and administrative expenses ($2.0 million) due to the larger menswear division, whose operating expenses-revenue ratio is typically higher than the Group's.*" Our menswear division has higher operating expenses than the rest of the Group due to higher manpower costs. As our menswear division operates mainly in departmental stores across Singapore, each departmental store counter has to be manned by sales promoters. In comparison, other sales channels of the Group such as third party retailers, wholesale distribution, gifts and corporate sales on the other hand do not incur significant manpower overheads.

Question 2

On 4 May 2017, Company announced that Mr Hoe Kee Kok will be stepping down as an executive director of the Company and will continue his employment with the Group as director of Demarco Pte Ltd, SYI Co (Pte) Ltd and JIT Distribution Pte. Ltd which are wholly-owned subsidiaries of the Company.

On Page 15 of the Company's FY2017 results, Company disclosed that Mr Hoe Kee Kok only holds the directorship in Demarco Pte Ltd in 2017. Please reconcile.

Response:

Of the three subsidiaries above, only Demarco Pte Ltd is a principal subsidiary (as defined in the listing manual of the SGX-ST). As such, the Company only disclosed Mr Hoe Kee Kok's directorship in Demarco Pte Ltd. The additional directorships of Mr Hoe Kee Kok are found in the Announcement of Cessation dated 4 May 2017, which are:

SYI Co (Pte) Ltd
JIT Distribution Pte. Ltd.

By Order of the Board

Yeo Toon Wee
Executive Director
8 June 2017