



TRAVELITE HOLDINGS LTD.

(Incorporated in Singapore)

(Company Registration Number: 200511089K)

RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON UNAUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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 2023 in relation to the Group’s unaudited consolidated financial statements for the financial year ended 31 March (“**FY**”) 2023 announced on 30 May 2023:

Query 1

We refer to the Company’s trade receivables amounting to S\$10.7 million and corresponding loss allowance for impairment of S\$5.4 million. Please disclose:

a. the reason for such a significant impairment noting that sales have been strong. To disclose the Company’s plans to recover the trade receivables;

During FY2023, the Group made an addition allowance impairment of S\$0.6 million for a customer in Indonesia, whose balance had been brought forward since 2020. An additional allowance impairment is in line with the Group’s impairment policy.

This customer's business is gradually regaining momentum after Covid-19, but payments for long outstanding debts are still slow.

The Group has collateralised some of this customer’s assets including 3 landed properties in Indonesia. The Group has also implemented a policy that ensures the latest invoices have been paid before issuing new stocks to this customer.

b. whether the trade receivables and loss allowance are attributable to major customer(s) and whether the Company continues to transact with these customer(s) and if so, what are the commercial reasons in doing so;

Out of the total loss allowance of S\$5.4 million, S\$5.0 million was attributable to the Indonesian customer as mentioned in paragraph (a) above.

This customer is the Group’s sole distributor of luggage, bags and travel accessories in Indonesia. It has established a strong presence in most of the major departmental stores in Jakarta. The Group continues to transact with this customer to cater to the Indonesian market.

c. how long are the debts outstanding and when were the sales reported. To tabulate and explain significant amounts;

The total loss allowance is as follows:

Financial Year	Amount	Aged
FY2019	S\$2.4 million	More than 4 years
FY2020	S\$2.8 million	More than 3 years
Total	S\$5.2 million	

d. what were the actions taken to recover the trade receivables and whether any of these are related persons. if so, to disclose their identity and the reasons for the impairment;

The Indonesian customer is an independent third party. The Group has taken the necessary action as mentioned in paragraph (a) above.

e. the reasons for the impairment on trade and other receivables, including the reasons for delays or non-payment, where applicable;

The impairment on trade and other receivables was mainly the brought forward balance from pre Covid-19 era. The customers experienced cashflow problems due to slow sales as a result of Covid-19 pandemic and aged stock.

f. the Board's opinion on the reasonableness of the methodologies used to determine the value of the impairment of the trade receivables;

The Board analysed the trade receivables aging and reviewed the recoverability for major customers.

The Board concluded that the Group's impairment policy is reasonable and aligns appropriately with the turnaround time of the travelling and fashion industry.

g. the Board's assessment of the recoverability of the remaining trade receivables;

Majority of the trade receivables are due from reputable departmental stores and they are good paymaster based on past trend. Hence, the Board is confident that there is no recoverability issue of the remaining trade receivables.

h. a breakdown of the Company's provision for trade receivables (by aging buckets and jurisdiction);

Jurisdiction	Financial Year	Amount	Aged
Myanmar	FY2019	S\$0.2 million	More than 4 years
Indonesia	FY2019	S\$2.2 million	More than 4 years
	FY2020	S\$2.8 million	More than 3 years
	Total	S\$5.2 million	

i. the Company's policy in trade receivables collection;

The Group provides for loss allowances on a case-by-case basis and there is no general loss allowances. However, there are guidelines for consideration such as:

- a) Allowance to be made if the credit term exceeds 15 months;
- b) Write-off when the customer is being wound up or becomes bankrupt.

j. the percentage of revenue earned in this financial year that was deemed uncollectible (i.e. trade receivables amount written off or provided for);

Nil.

k. the general credit term extended to customers;

The general credit term ranges from 30 days to 120 days.

l. the aging analysis and assessment of the recoverability of the remaining trade receivables; and

Majority of the remaining trade receivables are aged less than 120 days and contributed by the departmental stores. As explained in paragraph (g) above, the departmental stores are good paymaster based on past trend and hence, the Group did not expect any collectability issue.

m. the percentage of trade receivables attributed to the major customer (or five largest customers) of the Company.

The top five largest customers contributed approximately 80% of the Group's total trade receivables as at 31 March 2023.

By Order of the Board

Thang Teck Jong
Executive Chairman
15 June 2023