



TRAVELITE HOLDINGS LTD.
(Registration No. 200511089K)

Half Year Financial Statement Announcement For The Six Months Ended 30 September 2022

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 2022 \$'000	Sep 2021 \$'000	
Revenue	4	22,114	7,774	N.M.
Cost of sales		(12,008)	(4,108)	N.M.
Gross profit		10,106	3,666	N.M.
<u>Other items of income</u>				
Interest income		–	4	(100.0)
Other gains		455	1,013	(55.1)
<u>Other items of expense</u>				
Marketing and distribution costs		(6,199)	(3,720)	66.6
Administrative expenses		(2,510)	(1,966)	27.7
Finance costs		(453)	(396)	14.4
Other losses		(161)	(507)	(68.2)
Profit/(Loss) before tax from continuing operations		1,238	(1,906)	N.M.
Income tax credit/(expense)	5	102	(109)	N.M.
Profit/(Loss) from continuing operations, net of tax		1,340	(2,015)	N.M.
<u>Other comprehensive income/(loss):</u>				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Exchange differences on translating foreign operations, net of tax		27	(7)	N.M.
Other comprehensive income/(loss) for the period, net of tax		27	(7)	
Total comprehensive profit/(loss)		1,367	(2,022)	N.M.

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	<u>Notes</u>	Group 6 months ended		+ / (-) %
		<u>Sep 2022</u> \$'000	<u>Sep 2021</u> \$'000	
<u>Profit/(Loss) attributable to owners of the parent, net of tax:</u>				
- from continuing operations		1,157	(1,897)	N.M.
<u>Profit/(Loss) attributable to non-controlling interests, net of tax:</u>				
- from continuing operations		183	(118)	N.M.
Profit/(Loss) net of tax		<u>1,340</u>	<u>(2,015)</u>	N.M.
Total comprehensive profit/(loss) attributable to owners of the parent		1,184	(1,904)	N.M.
Total comprehensive profit/(loss) attributable to non-controlling interests		183	(118)	N.M.
Total comprehensive profit/(loss)		<u>1,367</u>	<u>(2,022)</u>	N.M.
		<u>Cents</u>	<u>Cents</u>	
Earning/(Loss) per share				
Basic and diluted	6	<u>1.8</u>	<u>(3.0)</u>	

N.M. denotes not meaningful

Notes on statement of comprehensive income

	Group 6 months ended	
	<u>Sep 2022</u> \$'000	<u>Sep 2021</u> \$'000
<u>Other gains/(losses)</u>		
Amortisation of other intangible assets	(17)	(17)
Foreign exchange adjustment (losses)/gains	(144)	8
Government grants received	224	959
Plant and equipment written off	-	(14)
Inventories written off	-	(233)
Reversal/(Allowance) for impairment on inventories	180	(243)
Reversal for impairment on trade and other receivables	40	-
Fair value gain on derivative financial instruments	11	40
Reversal of bad debts	-	6
Net	<u>294</u>	<u>506</u>
Presented in profit or loss as:		
Other gains	455	1,013
Other losses	(161)	(507)
Net	<u>294</u>	<u>506</u>
<u>Finance costs</u>		
Interest expense	<u>453</u>	<u>396</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.

	Notes	<u>Group</u>			<u>Company</u>		
		<u>2022</u>			<u>2022</u>		
		<u>30 Sep</u>	<u>31 Mar</u>	<u>+ / (-)</u>	<u>30 Sep</u>	<u>31 Mar</u>	<u>+ / (-)</u>
		\$'000	\$'000	%	\$'000	\$'000	%
ASSETS							
<u>Non-current assets</u>							
Property, plant and equipment	7	18,438	18,410	0.2	17,412	17,746	(1.9)
Intangible assets		121	138	(12.3)	–	–	N.M.
Right-of-use assets		10,338	9,150	13.0	7,790	7,899	(1.4)
Investments in subsidiaries		–	–	N.M.	15,734	15,734	0.0
Investment in associate		198	198	0.0	–	–	N.M.
Deferred tax assets		41	32	28.1	–	–	N.M.
Other receivables	9	1	1	0.0	–	–	N.M.
Total non-current assets		<u>29,137</u>	<u>27,929</u>	4.3	<u>40,936</u>	<u>41,379</u>	(1.1)
<u>Current assets</u>							
Inventories	8	9,080	9,923	(8.5)	–	–	N.M.
Trade and other receivables	9	7,631	7,796	(2.1)	2,414	1,624	48.6
Other non-financial assets		480	341	40.8	130	37	N.M.
Cash and cash equivalents	10	17,458	13,289	31.4	933	501	86.2
Total current assets		<u>34,649</u>	<u>31,349</u>	10.5	<u>3,477</u>	<u>2,162</u>	60.8
Total assets		<u>63,786</u>	<u>59,278</u>	7.6	<u>44,413</u>	<u>43,541</u>	2.0
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		(4,520)	(5,677)	(20.4)	(8,834)	(7,934)	11.3
Foreign currency translation reserve		238	211	12.8	–	–	N.M.
Equity, attributable to owners of the parent, total		<u>17,547</u>	<u>16,363</u>	7.2	<u>12,995</u>	<u>13,895</u>	(6.5)
Non-controlling interests		4,368	4,185	4.4	–	–	N.M.
Total equity		<u>21,915</u>	<u>20,548</u>	6.7	<u>12,995</u>	<u>13,895</u>	(6.5)

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	<u>Notes</u>	<u>Group</u> <u>2022</u>			<u>Company</u> <u>2022</u>		
		<u>30 Sep</u> \$'000	<u>31 Mar</u> \$'000	<u>+ / (-)</u> %	<u>30 Sep</u> \$'000	<u>31 Mar</u> \$'000	<u>+ / (-)</u> %
<u>Non-current liabilities</u>							
Provisions		128	143	(10.5)	–	–	N.M.
Deferred tax liabilities		98	101	(3.0)	26	26	0.0
Lease liabilities	11	9,452	8,692	8.7	8,008	8,093	(1.0)
Other financial liabilities	12	14,481	16,120	(10.2)	8,254	8,532	(3.3)
Total non-current liabilities		24,159	25,056	(3.6)	16,288	16,651	(2.2)
<u>Current liabilities</u>							
Income tax payable		278	532	(47.7)	27	55	(50.9)
Trade and other payables		5,454	3,444	58.4	9,387	7,221	30.0
Lease liabilities	11	1,372	873	57.2	168	165	1.8
Other financial liabilities	12	10,608	8,814	20.4	5,548	5,543	0.1
Derivative financial instruments	14	–	11	(100.0)	–	11	(100.0)
Total current liabilities		17,712	13,674	29.5	15,130	12,995	16.4
Total liabilities		41,871	38,730	8.1	31,418	29,646	6.0
Total equity and liabilities		63,786	59,278	7.6	44,413	43,541	2.0

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

	<u>Group</u> <u>2022</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	8,258	2,350	7,927	887
b) Amount payable after one year	14,481	–	16,120	–

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.

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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 2022</u>	<u>Sep 2021</u>
	\$'000	\$'000
<u>Cash flows from operating activities</u>		
Profit/(Loss) before tax	1,238	(1,906)
Adjustments for:		
Interest income	–	4
Interest expense	453	396
Depreciation of property, plant and equipment	524	572
Depreciation of right-of-use assets	710	719
Amortisation of other intangible assets	17	17
Reversal of impairment of trade and other receivables	(40)	–
Plant and equipment written off	–	14
Fair value gain on derivative financial instruments	(11)	(40)
Inventory write-off	–	233
(Reversal)/Allowance for impairment of inventories	(180)	243
Reversal of bad debts	–	(6)
Operating cash flows before changes in working capital	<u>2,711</u>	<u>246</u>
Inventories	1,023	(427)
Trade and other receivables	205	1,497
Other non-financial assets	(139)	7
Deferred grant income	–	(436)
Provision of reinstatement cost	(15)	–
Trade and other payables	<u>2,010</u>	<u>461</u>
Net cash flows from operations before interest and tax	5,795	1,348
Income tax paid	<u>(164)</u>	<u>(103)</u>
Net cash flows from operating activities	<u>5,631</u>	<u>1,245</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	<u>(552)</u>	<u>(7)</u>
Net cash flows used in investing activities	<u>(552)</u>	<u>(7)</u>
<u>Cash flows from financing activities</u>		
Principal element of lease payments	(639)	(691)
Interest element of lease payments	(152)	(160)
Increase in new borrowings	1,463	2,500
Decrease in other financial liabilities	(1,308)	(995)
Interest paid	<u>(301)</u>	<u>(236)</u>
Net cash flows (used in)/from financing activities	<u>(937)</u>	<u>418</u>

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	Group	
	6 months ended	
	<u>Sep 2022</u>	<u>Sep 2021</u>
	\$'000	\$'000
Net increase in cash and cash equivalents	4,142	1,656
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	13,289	9,768
Net effect of exchange rate changes on cash and cash equivalents	27	(7)
Cash and cash equivalents, consolidated statement of cash flows, ending balance	<u>17,458</u>	<u>11,417</u>

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.

	Total <u>equity</u> \$'000	Attributable to parent <u>sub-total</u> \$'000	Share <u>capital</u> \$'000	Accumulated <u>losses</u> \$'000	Treasury <u>shares</u> \$'000	Foreign currency translation <u>reserve</u> \$'000	Non- controlling <u>interests</u> \$'000
<u>The Group</u>							
Balance at 1 April 2022	20,548	16,363	21,831	(5,677)	(2)	211	4,185
Movements in equity:							
Total comprehensive profit for the period	1,367	1,184	–	1,157	–	27	183
Balance at 30 September 2022	<u>21,915</u>	<u>17,547</u>	<u>21,831</u>	<u>(4,520)</u>	<u>(2)</u>	<u>238</u>	<u>4,368</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	<u>18,697</u>	<u>14,860</u>	<u>21,831</u>	<u>(7,165)</u>	<u>(2)</u>	<u>196</u>	<u>3,837</u>
<u>The Company</u>							
Balance at 1 April 2022	13,895	13,895	21,831	(7,934)	(2)	–	–
Movements in equity:							
Total comprehensive loss for the period	(900)	(900)	–	(900)	–	–	–
Balance at 30 September 2022	<u>12,995</u>	<u>12,995</u>	<u>21,831</u>	<u>(8,834)</u>	<u>(2)</u>	<u>–</u>	<u>–</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	<u>13,879</u>	<u>13,879</u>	<u>21,831</u>	<u>(7,950)</u>	<u>(2)</u>	<u>–</u>	<u>–</u>

Notes to the Financial Statements
30 September 2022

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 and war in Ukraine related disclosures:

Uncertainties relating to the current economic conditions

Management has considered the current economic conditions because of the Covid-19 pandemic and the war in Ukraine are affecting customers, supply chains, staffing and the countries in which the reporting entity operates. There does not currently appear to be either any material impact upon the financial statements or any material uncertainties with respect to events or conditions that may impact the reporting entity unfavourably as at the reporting date or subsequently because of the current economic conditions.

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 \$28,776,000 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.

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

2B. Profit or loss from continuing operations and reconciliations

<u>Continuing operations – 6 months ended 30 September 2022</u>	<u>Departmental stores \$'000</u>	<u>Specialty stores \$'000</u>	<u>Third party retailers \$'000</u>	<u>Gifts & corporate sales \$'000</u>	<u>Wholesale distribution \$'000</u>	<u>Group total \$'000</u>
Revenue	14,781	3,680	1,487	241	1,925	22,114
Operating profit/(loss)	1,034	(337)	326	(98)	136	1,061
Other gains						455
Other losses						(161)
Finance costs						(453)
Unallocated items						336
Income tax credit						102
Profit from continuing operations, net of tax						1,340

<u>Continuing operations – 6 months ended 30 September 2021</u>	<u>Departmental stores \$'000</u>	<u>Specialty stores \$'000</u>	<u>Third party retailers \$'000</u>	<u>Gifts & corporate sales \$'000</u>	<u>Wholesale distribution \$'000</u>	<u>Group total \$'000</u>
Revenue	4,616	1,531	778	111	738	7,774
Operating loss	(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)

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

2C. Assets and reconciliations

	Departmental <u>stores</u> \$'000	Specialty <u>stores</u> \$'000	Third party <u>retailers</u> \$'000	Wholesale <u>distribution</u> \$'000	Gifts & corporate <u>sales</u> \$'000	<u>Unallocated</u> \$'000	Group <u>total</u> \$'000
<u>30 September 2022</u>							
Total assets for reportable segments	6,811	1,509	218	1,655	136	–	10,329
<u>Unallocated assets:</u>							
Property, plant and equipment	–	–	–	–	–	18,438	18,438
Right-of-use assets	–	–	–	–	–	10,338	10,338
Inventories	–	–	–	–	–	7,130	7,130
Cash and cash equivalents	–	–	–	–	–	17,458	17,458
Other unallocated assets	–	–	–	–	–	93	93
Total group assets	6,811	1,509	218	1,655	136	53,457	63,786
<u>31 March 2022</u>							
Total assets for reportable segments	5,581	1,077	204	3,815	(11)	–	10,666
<u>Unallocated assets:</u>							
Property, plant and equipment	–	–	–	–	–	18,152	18,152
Right-of-use assets	–	–	–	–	–	9,150	9,150
Inventories	–	–	–	–	–	6,537	6,537
Cash and cash equivalents	–	–	–	–	–	13,289	13,289
Other unallocated assets	–	–	–	–	–	1,484	1,484
Total group assets	5,581	1,077	204	3,815	(11)	48,612	59,278

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

2D. Liabilities and reconciliations

	Group	
	30 Sep 2022	31 Mar 2022
	\$'000	\$'000
<u>Unallocated liabilities:</u>		
Trade and other payables	5,454	3,444
Other financial liabilities	35,913	34,499
Other liabilities	504	787
Total group liabilities	<u>41,871</u>	<u>38,730</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
30 September 2022						
Capital expenditure	75	–	–	–	477	552
<u>Significant non-cash items:</u>						
Depreciation of property, plant and equipment and right-of-use assets	34	3	1	–	1,196	1,234
Reversal for impairment on trade and other receivables	–	–	–	–	(40)	(40)
Reversal of impairment of inventories	–	–	–	–	(180)	(180)
Amortisation of other intangible assets	–	–	–	–	17	17
31 March 2022						
Capital expenditure	–	24	–	–	16	40
<u>Significant non-cash items:</u>						
Depreciation of property, plant and equipment and right-of-use assets	61	8	11	–	2,434	2,514
Reversal of impairment of inventories	–	–	–	–	(771)	(771)
Plant and equipment written off	–	–	–	–	13	13
Reversal of allowance for impairment on trade receivables	–	–	–	–	(40)	(40)
Amortisation of other intangible assets	–	–	–	–	35	35

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 2022</u>	<u>Sep 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Administrative income ^(a)	(33)	(33)
Royalty expense ^(b)	113	60

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

(b) 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 2022</u>	<u>Sep 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Rental income	–	(86)

4. Revenue

	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2022</u>	<u>Sep 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
Sale of goods	21,286	6,792
Royalty income	20	–
Rental income	300	298
Other revenues	508	684
	<u>22,114</u>	<u>7,774</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.

5. Income tax (credit)/expense

	<u>Group</u>	
	<u>6 months ended</u>	
	<u>Sep 2022</u>	<u>Sep 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Current tax (income)/expense:</u>		
Current tax (income)/expense	(90)	127
<u>Deferred tax income:</u>		
Deferred tax income	(12)	(18)
Total income tax (credit)/expense	<u>(102)</u>	<u>109</u>

6. Earning/(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 2022</u>	<u>Sep 2021</u>
	<u>\$'000</u>	<u>\$'000</u>
A. Numerators: earning/(loss) attributable to equity:		
Continuing operations: attributable to equity holders	<u>1,157</u>	<u>(1,897)</u>
	<u>Sep 2022</u>	<u>Sep 2021</u>
	<u>'000</u>	<u>'000</u>
B. Denominators: weighted average number of equity shares:		
Basic and diluted	<u>63,098</u>	<u>63,098</u>

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 2021	19,864	5,402	25,266
Additions	–	40	40
Disposals/write off	–	(21)	(21)
At 31 March 2022	19,864	5,421	25,285
Additions	–	552	552
At 30 September 2022	19,864	5,973	25,837
<u>Accumulated depreciation and impairment losses:</u>			
At 1 April 2021	2,107	3,650	5,757
Depreciation for the year	503	623	1,126
Disposals/write off	–	(8)	(8)
At 31 March 2022	2,610	4,265	6,875
Depreciation for the period	252	272	524
At 30 September 2022	2,862	4,537	7,399
<u>Carrying value:</u>			
At 1 April 2021	17,757	1,752	19,509
At 31 March 2022	17,254	1,156	18,410
At 30 September 2022	17,002	1,436	18,438
		<u>Group</u>	
		<u>30 Sep 2022</u> \$'000	<u>31 Mar 2022</u> \$'000
Net book value of plant and equipment under lease liabilities		132	138

8. Inventories

	<u>Group</u>	
	<u>30 Sep 2022</u> \$'000	<u>31 Mar 2022</u> \$'000
Finished goods and goods for resale	9,080	9,923
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the period/year	2,642	3,413
Reversed to profit or loss included in other gains	(180)	(771)
Balance at end of the period/year	2,462	2,642
Changes in inventories of finished goods and goods for resale	(843)	(2,175)
The amount of inventories included in cost of sales	11,360	12,266

9. Trade and other receivables

	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	\$'000	\$'000
<u>Trade receivables:</u>		
Outside parties	10,755	11,039
Less allowance for impairment – outside parties	(4,820)	(4,854)
Net trade receivables, sub-total	<u>5,935</u>	<u>6,185</u>
<u>Other receivables:</u>		
Deposits to secure services	1,227	1,120
Staff advances	39	40
Outside parties	422	441
Less allowance for impairment – outside parties	(21)	(27)
Related parties	30	38
Net other receivables, sub-total	<u>1,697</u>	<u>1,612</u>
Total trade and other receivables	<u>7,632</u>	<u>7,797</u>
Disclosed as:		
Trade and other receivables, current	7,631	7,796
Other receivables, non-current	1	1
	<u>7,632</u>	<u>7,797</u>
<u>Movements in above allowances:</u>		
Balance at beginning of the period/year	4,881	4,921
Reversed for trade receivables to profit or loss included in other losses and gains	(40)	(40)
Balance at end of the period/year	<u>4,841</u>	<u>4,881</u>

10. Cash and cash equivalents

	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	\$'000	\$'000
Not restricted in use	<u>17,458</u>	<u>13,289</u>

11. Lease liabilities

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

	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	\$'000	\$'000
Lease liabilities, current	1,372	873
Lease liabilities, non-current	9,452	8,692
	<u>10,824</u>	<u>9,565</u>

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

12. Other financial liabilities

	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	\$'000	\$'000
<u>Non-current:</u>		
<u>Financial instruments with floating interest rate:</u>		
Bank loans (secured)	14,481	16,120
Non-current, total	<u>14,481</u>	<u>16,120</u>
<u>Current:</u>		
<u>Financial instruments with floating interest rate:</u>		
Bank loans (secured)	8,258	7,927
Bills payable to banks	2,350	887
Current, total	<u>10,608</u>	<u>8,814</u>
Total	<u>25,089</u>	<u>24,934</u>

The range of floating interest rates paid was as follows:

	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	%	%
Bank loans (secured)	2	1.98 – 3.50
Bills payable to banks	<u>2.82 – 5.89</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 <u>capital</u> \$'000
<u>Group and Company</u>		
Balance at 1 April 2021, 31 March 2022 and 30 September 2022	<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 shares '000	<u>Cost</u> \$'000
Number at 1 April 2021, 31 March 2022 and 30 September 2022	<u>8</u>	<u>2</u>

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

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 2022</u>	<u>31 Mar 2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Liabilities – Derivatives with negative fair values:</u>		
Interest rate swaps (Note 14A)	–	11
	<u>–</u>	<u>11</u>
	<u>Group</u>	
	<u>30 Sep 2022</u>	<u>31 Mar 2022</u>
	<u>\$'000</u>	<u>\$'000</u>
<u>Movements during the period/year as follows:</u>		
At beginning of the period/year	11	155
Fair value changes recognised in profit or loss	(11)	(144)
At end of the period/year	<u>–</u>	<u>11</u>

14A. Interest rate swaps

In 2022, the notional amount of interest rate swaps is \$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 expired 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.

- 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 2022 till 30 September 2022.

The number of shares held as treasury shares as at 30 September 2022 and 30 September 2021 was 7,800 (0.01%).

There were no outstanding convertibles or subsidiary holdings as at 30 September 2022 and 30 September 2021.

- 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 2022: 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 2022.

- 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 2022.

- 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 this 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 2022</u>	<u>Sep 2021</u>
Earning/(Loss) per share (in cents)		
Continuing operations:		
- Basic and diluted	<u>1.8</u>	<u>(3.0)</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>Company</u>	
	<u>2022</u>		<u>2022</u>	
	<u>30 Sep</u>	<u>31 Mar</u>	<u>30 Sep</u>	<u>31 Mar</u>
Net asset value per share (in cents)	27.8	25.9	20.6	22.0
Net assets (excluding non-controlling interest) (\$'000)	17,547	16,363	12,995	13,895
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

Following the easing of COVID-19 restrictions, the Group has improved its results, resulting in the Group returning to the black. The revenue has increased significantly mainly due to:

- fully re-opening of Singapore border in April 2022;
- lifted up of restriction of working from home and most of the companies can have full work force.

(ii) Gross Profit

The gross profit margin of 45.7% in 1H FY2023 was slightly lower as compared to 47.2% achieved in 1H FY2022. This is mainly due to lower contribution by specialty stores and wholesale distribution divisions.

(iii) **Interest Income**

There is no interest income for 1H FY2023. In 1H FY2022, amount of \$4,000 was recognised as finance income pursuant to SFRS(I) 15 *Revenue from Contracts with Customers*.

(iv) **Other Gains**

In 1H FY2023, the government grants received is \$223,000 as compared to \$959,000 in 1H FY2022. 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**

Increase in marketing and distribution costs, and administrative expenses were in line with the increase in revenue. More expenses such as promotion and commission have incurred.

(vi) **Finance Costs**

Higher finance costs mainly derived from the interest of trust receipts with financial institutions.

(vii) **Other Losses**

Other losses in 1H FY2023 mainly contributed by foreign exchange losses. The other losses in 1H FY2022 mainly included impairment losses on inventories of \$243,000 (1H FY2023: Nil) and inventories written off amounting to \$233,000 (1H FY2023: NIL).

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

- (i) The Group and Company ROU assets totalling \$10.3 million and \$7.8 million respectively, on 30 September 2022. Depreciation amounting to \$1.2 million was charged in 1H FY2023.
- (ii) The increase in revenue during this period, resulted in improvement of the Group's inventories management.
- (iii) The Group's trade receivables decreased slightly from \$7.8 million to \$7.6 million.
- (iv) Trade and other payables increased by \$2 million mainly due to slower repayment to suppliers.
- (v) Total other financial liabilities increased by \$0.2 million as a result of (a) increase in bills payable of \$1.4 million which was off-set by (b) reduce of term loan of \$1.2 million during the period.
- (vi) As at 30 September 2022, the Group's cash and cash equivalents of \$17.5 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 is taking a major step forward to restore air connectivity to the world, to rebuild and reclaim its position as a premier air hub. Singapore had reopened its borders to all fully vaccinated travellers from the Ministry of Health's (MOH) General Travel Category countries/regions and transitioned to a new Vaccinated Travel Framework from 1 April 2022.

This is proven from the number of passengers departing from Singapore as below:

Passengers Departing (Number)

6 months end 30 Sep 2022	6,793,293
6 months end 30 Sep 2021	497,215

(Source: CIVIL AVIATION AUTHORITY OF SINGAPORE)

Locally, more employees who are currently working from home will be able to return to the workplace from 5 April 2022. The current restrictions requiring employees to work from home for at least half their working time had also lifted.

Hence, this has increased the business wear transactions.

During the year, events such as Travel Fair Singapore and NATAS (National Association of Travel Agents Singapore) Travel Fair have returned after the border fully open. Such events will indirectly increase the demand of travel-related accessories and apparels.

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 2022 to be false or misleading in any material aspect.

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
11 November 2022