



**TRAVELITE HOLDINGS LTD.**

(Incorporated in Singapore)

(Company Registration Number: 200511089K)

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**RESPONSE TO FURTHER 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 further queries raised by the Singapore Exchange Securities Trading Limited on 17 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**

We refer to the responses to SGX queries published by the Group on 15 June 2022.

The Group disclosed that although it has cash and cash equivalents of \$13.289 million, it had proceeded to borrow an additional \$2.5 million in bank loans at the interest rate of 2% p.a. which were placed in non-interest bearing bank accounts for working capital purposes. This was despite the Group reporting a positive cashflow from operating activities of \$4,562,000.

Please elaborate on the (a) rationale for the drawing down of a 2% interest bearing loan to place into non-interest bearing accounts and (b) explain why the Group did not utilise its \$13.289 million cash and cash equivalent for its working capital.

Please explain why the Group’s cash and bank balances amounting to \$13.289 million were placed in non-interest bearing accounts for working capital purposes if cash flow of the Group has been positive for the past two years.

**Response**

- (a) The Group submitted the application for Temporary Bridging Loan (TBL) when the scheme was introduced at the height of the Covid-19 pandemic in May 2020, to provide access to working capital for business needs. In 2020, the Group had negative cash flow of \$2.4 million from operating activities and a staggering \$15.4 million worth of inventories.

The TBL granted by the banks were in a few tranches, and the last drawdown was in September 2021. At that time, there was still great uncertainty over the recovery of the tourism business. In November 2021, when more Vaccinated Travel Lane (VTL) were introduced, the Group’s business gradually recovered.

There is a close correlation between the Group's cash and cash equivalents and the Group's Inventories at the end of every financial year. Excerpt of data for the past 5 years is as per below:-

<b>Year</b>	<b>2022 (unaudited)</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
	\$'000	\$'000	\$'000	\$'000	\$'000
Inventories	9,923	9,768	15,418	12,165	11,726
Cash and cash equivalents	13,289	12,098	5,493	9,924	6,279
Net cash flows from/(used in) operating activities	4,562	3,608	(2,486)	3,633	1,828

- (b) The Group will be utilising this \$13.289 million in the coming months, to replenish its inventories, in anticipation of higher sales activities due to lifting of travel restrictions at the end of April 2022.

The cash and cash equivalents were placed in non-interest bearing account, to comply with the terms of TBL that the funds were solely for working capital purposes.

By Order of the Board

Thang Teck Jong  
Executive Chairman  
20 June 2022