



TRAVELITE HOLDINGS LTD.

(Incorporated in Singapore)

(Company Registration Number: 200511089K)

RESPONSE TO QUERIES FROM SHAREHOLDERS ON ANNUAL REPORT 2021

The Board of Directors (the “**Board**” or “**Directors**”) of Travelite Holdings Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries raised by the shareholders of the Company in relation to the Company’s Annual Report 2021 and appends the replies as follows:

Question 1

I refer to page 4 of the Annual Report about “Chairman’s Message”. In the 4th paragraph, it was stated that “... actively expanded our online presence by setting up a new business unit to focus on digital marketing and build brand awareness online”. How much of the Group’s total revenue was from online sales?

Company’s response

The Group’s total revenue from online sales was approximately \$200,000.

Question 2

I refer to page 88 of the Annual Report about “Financial information by operating segments”, particularly “Continuing operations”. How much of the Group’s \$18.040m revenue was generated from non-travel-related accessories (e.g. menswear, ladies fashion, Victorinox Swiss Army Knives)?

Company’s response

85% of the Group’s \$18.040 million revenue was generated from non-travel-related accessories.

Question 3

I refer to page 101 of the Annual Report about “Investments in subsidiaries”, particularly YG Marketing Pte Ltd. Despite decline in revenue by 47.6% from \$17.129m in 2020 to \$8.968m in 2021, noted that YG Marketing Pte Ltd has turnaround from loss of -\$706K in 2020 to profit of \$2.622m in 2021. What were the main reasons behind the turnaround in the “trading in garments and other related products”?

Company’s response

The turnaround was mainly due to the disposal of property-held-for-sale in the financial year ended 31 March 2021 (“**FY2021**”), resulting in a gain of disposal.

Question 4

I refer to page 88 of the Annual Report about “Financial information by operating segments”. For “Wholesale distribution” segment, while its revenue has declined by 76.6% from \$7.092m in 2020 to \$1.661m in 2021, why its segment operating loss situation managed to improve from -\$4.41m in 2020 to -\$269K in 2021?

Company’s response

This was mainly due to a one off impairment on trade receivables in the preceding financial year ended 31 March 2020.

Question 5

On the other hand, for “Department stores” segment, while its revenue has declined by 52.5% from \$24.782m in 2020 to \$11.770m in 2021, why the segment turned from operating profit of \$2.588m in 2020 to operating loss of -\$1.433m in 2021 instead?

Company’s response

The segment turnover was severely impacted by the COVID-19 pandemic in FY2021, after April 2020.

Question 6

I refer to page 109 of the Annual Report about “Lease liabilities”. Are the 9 “Retail outlets” lease liabilities for the Group’s “chain of specialty stores”? How many are in Singapore and Malaysia respectively?

Company’s response

There are 7 specialty stores in Singapore and 2 specialty stores in Malaysia.

Question 7

I refer to page 99 of the Annual Report about “Intangible assets”. Noted that the Group have trademarks (e.g. Brentwood/ U.R.S & Inc) as well as exclusive licensing rights (e.g. Ashworth/ Arnold Palmer/ Pierre Cardin/ Van Heusen/ Daniel Hechter). How long are the trademarks as well as exclusive licensing rights for?

Company’s response

The average length of trademarks as well as exclusive licensing rights are 5 years.

Question 8

I refer to page 65 of the Annual Report about “Key audit matters”, particularly “Trade receivables – expected credit loss allowance”. It was stated that “The carrying amount of trade receivables amounted to \$5,697,000 (2020: \$6,631,000) which accounted for approximately 12% (2020: 11%) of the group’s total assets as at the reporting year end. The amount is after the estimated credit loss allowance of \$4,894,000”. In another words, 46% of all trade receivables were impaired (which was the as high as the Group’s GPM of 46%). May I ask the Audit Committee how much of the \$10.591m trade receivables have been collected so far?

Company’s response

Subsequent receipts from trade receivables amounted to \$680,000.

Question 9

I refer to page 104 of the Annual Report about “Trade and other receivables”. It was stated that “At the end of the reporting year, the group holds collateral of 3 units of warehouse cum-office properties located in Indonesia with a total fair value of \$1.586,000 (2020: \$1,480,000) against a major trade customer balance, net of allowance, amounting to \$2,633,000 (2020: \$3,129,000).” May I ask the Audit Committee how much was the gross receivable from this major trade customer (presumed to be an overseas distributor from Indonesia)?

Company’s response

The gross receivable from this major trade customer was \$7 million.

Question 10

I refer to page 104 of the Annual Report about “Trade and other receivables”. It was also stated that “Subsequent to the end of the reporting year, the customer has also signed a deed of fiduciary security to assign to the group the rights to certain assets owned by the customer. In addition, the customer has also pledged its shares in the customer’s company to the group. The group has also engaged a lawyer to register of the deed of fiduciary security with the relevant fiduciary security office in Indonesia.” What were these “rights to certain assets owned”? Together with the “collateral of 3 units of warehouse cum-office properties located in Indonesia with a total fair value of \$1.586,000”, were these “rights to certain assets owned” estimated to be worth more than the trade receivables owed?

Company's response

Yes, these "rights to certain assets owned" is estimated to be worth more than the trade receivables owed.

Question 11

I refer to page 103 of the Annual Report about "Inventories". In FY2021, 16.9% of "Finished goods and goods for resale" was impaired and "Charged to profit or loss included in other losses". What were these "slow moving inventories" mainly made up of? What have the Audit Committee planned to do about it?

Company's response

The "slow moving inventories" are mainly luggage. Management is following up closely on government's guidance on social distancing as there are plans to organize atrium sales and warehouse sales at the end of 2021. With the recent announcement that travel restrictions may be lifted by September 2021, Management is optimistic that turnover will improve in the coming months.

By Order of the Board

Thang Teck Jong
Executive Chairman
28 July 2021