

TRAVELITE

TRAVELITE HOLDINGS LTD

ANNUAL REPORT 2021



CLEARING
HURDLES

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CORPORATE PROFILE

Our founder, Mr Thang Teck Jong (TJ Thang), started the luggage business in 1986 to distribute luggage in Singapore. Over the years, we have diversified our product mix to include menswear, ladies fashion and other travel-related accessories. We currently represent over 20 international brands, either as a licensee or distributor, to market their products across various parts of Southeast Asia. Our distribution channel consists of departmental stores, chain of specialty stores, third party retail outlets, gift redemption and corporate gift programmes in Singapore and Malaysia; and wholesale distribution to third party distributors in countries such as Brunei, Cambodia, Indonesia, Myanmar, Thailand, Maldives and Kuwait.

Travelite Holdings Ltd was initially listed on the former SGXSESDAQ on 16 May 2007 and successfully upgraded to the SGX Mainboard on 24 August 2009, marking a significant milestone in the history of the Company.

VISION

The leading lifestyle brand management company in Asia and key international markets.

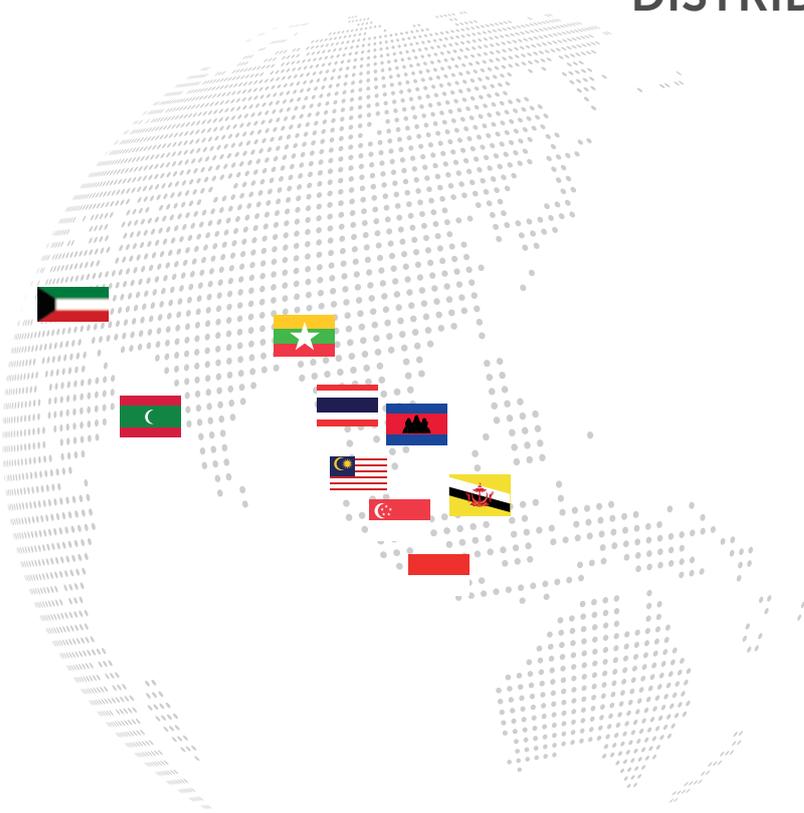
MISSION

Enhance shareholders' value through a continued focus on profitability.

Increase consumer loyalty through excellent customer service.

Expand our brand representation & product segments through strategic acquisitions, joint ventures or alliances.

DISTRIBUTION CHANNEL



20+
International
Brands

09
Distribution
Countries

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Thang Teck Jong Executive Chairman
Mr Foong Daw Ching Lead Independent Director
Dr Clemen Chiang Wen Yuan Independent Director

AUDIT COMMITTEE

Mr Foong Daw Ching Chairman
Dr Clemen Chiang Wen Yuan
Mr Thang Teck Jong

NOMINATING COMMITTEE

Dr Clemen Chiang Wen Yuan Chairman
Mr Foong Daw Ching
Mr Thang Teck Jong

REMUNERATION COMMITTEE

Dr Clemen Chiang Wen Yuan Chairman
Mr Foong Daw Ching
Mr Thang Teck Jong

COMPANY SECRETARIES

Ms Wee Woon Hong, LLB (Hons)
Ms Wong Pooi Kuan, CA Singapore

REGISTERED OFFICE

53 Ubi Avenue 3
 Travelite Building
 Singapore 408863
 Tel: (65) 6785 8000
 Fax: (65) 6785 7000
 Website: www.etravelite.com

SHARE REGISTRAR

Tricor Barbinder
Share Registration Service
 (A Division Of Tricor Singapore Pte. Ltd.)
 80 Robinson Road, #02-00
 Singapore 068898

INDEPENDENT AUDITORS

RSM Chio Lim LLP
 Public Accountants And Chartered Accountants
 8 Wilkie Road, #04-08 Wilkie Edge
 Singapore 228095
 Partner-In-Charge: Ms Tay Hui Jun Sabrina, CA
 Singapore
 (Appointed with effect from financial year ended
 31 March 2017)

PRINCIPAL BANKERS

DBS Bank Ltd.
 12 Marina Boulevard
 Level 43, DBS Asia Central @ MBFC, Tower 3
 Singapore 018982

Oversea-Chinese Banking Corporation Limited
 65 Chulia Street
 OCBC Centre
 Singapore 049513

United Overseas Bank Ltd
 1 Tampines Central 1
 #01-01 UOB Tampines Centre
 Singapore 529539



Callaway

OUR BRANDS



BRENTWOOD

Crocodile



DANIEL HECHTER
PARIS

DELSEY
PARIS



Hedgren



Traveler's Choice®
The trusted choice in travelware

URSinc.
一緒に行動

VAN HEUSEN



VICTORINOX

WENGER®

CHAIRMAN'S MESSAGE



DEAR SHAREHOLDERS,

On behalf of the Board of Directors, I present to you the annual report for Travelite Holdings Ltd. for the financial year ended 31 March 2021 (“**FY2021**”).

The outbreak of the COVID-19 pandemic gave rise to unprecedented times of uncertainty as it severely affected the global economy. Singapore’s full-year Gross Domestic Product (“**GDP**”) contracted by 5.4% in 2020 with aviation, tourism, food services and retail being the hardest-hit sectors as a result of the strict measures imposed locally and regionally in Malaysia and Indonesia to arrest the spread of the pandemic. Consequently, the business operations of the Group’s customers were inadvertently disrupted leading to material impairment on our goods, thereby affecting the Group’s profitability.

Additionally, as economic uncertainty continues to persist along with existing travel restrictions, demand for travel-related products like luggage will remain sluggish. As our products are mainly related to tourism, the Group’s performance was severely affected during the year although sales of men’s apparel products were uplifted by local consumerism in the heartland malls.

In the face of these challenges that were compounded by rising manpower costs, the Group took steps to diversify our product offerings to include Victorinox Swiss Army Knives, and actively expanded our online presence by setting up a new business unit to focus on digital marketing and build brand awareness online. By venturing into digital marketing, we are reducing our reliance on retailers and pivoting our business towards the new wave of online retail trend to ensure sustainability. We have also steered away from relying on organic growth and sought to grow our business through exploring joint venture opportunities.

Where manpower cost was concerned, the Group managed to defray significant labour overhead by tapping on the Job Support Scheme (“**JSS**”) introduced in 2020, which has provided cashflow relief for our operations.

Besides the JSS, the Group also disposed of a property located at 205A Kallang Bahru, Singapore 339342 on 5 November 2020 for a consideration of S\$3.9 million. The approximately 2,700 square metres property was a three-storey factory building with a 60-year lease tenure

CHAIRMAN'S MESSAGE

Amidst the challenging operating environment, the Group has tapped on the various support measures by the Singapore government to transform and remain competitive.

commencing from 1 June 2021. Sale of the property will contribute towards boosting our cash balance for operating activities as we continue to forge ahead to strengthen our business capabilities in this challenging business environment.

FINANCIAL HIGHLIGHTS

As a result of the COVID-19 pandemic, Group revenue declined by 57.6% to S\$18.0 million in FY2021. In spite of this, gross profit margin improved from 42.8% to 46.1%, due to higher contribution from the specialty stores and wholesale distribution divisions.

Separately, the Group reported other gains of S\$5.7 million which consisted primarily of government grants from JSS of S\$3.5 million and gain on disposal of property held for sale of S\$2.1 million. Meanwhile, the Group also recorded other losses of S\$2.7 million in FY2021 against S\$5.0 million in FY2020 mainly attributed to allowance for impairment on inventories, trade and other receivables, bad debts written off and foreign exchange losses.

In view of the above, the Group reported a narrowing net loss of S\$1.3 million in FY2021 as compared to a net loss of S\$6.2 million in the previous year.

BUSINESS PROSPECTS

Governments around the world have been rigorously rolling out vaccination programmes since the beginning of the year as part of an attempt to restore normalcy in the global economy. In particular, Singapore's vaccination has gained traction with about 2.2 million of our population having completed the full vaccination regimen, which seeks to support the progressive re-opening of the Singapore economy to protect businesses and jobs in affected industries, such as the travel sector.

With vaccine deployment in many countries well under way, the Group anticipates that Singapore will strive to establish more Air Travel Corridor ("ATC") to facilitate travel ease between countries without quarantine restrictions. This would in turn boost recovery of the languishing tourism and retail sectors. Although infection rate fluctuations and variant presence may affect travelling

plans, the Group is cautiously hopeful that the possibility of vaccine passports, when introduced, could mitigate some issues of uncertainty and give travellers confidence to visit countries with low pandemic risk. In this aspect, countries with high vaccination rates like Singapore would be more advantageous and better positioned to regain lost ground in the coming year.

With this prospect in view, we will continue to monitor and review our business performance as we focus on enhancing our cost-efficiency by streamlining our operating structure. We will also persist in our efforts to build new capabilities that can help us pivot our business more effectively in this era of the new economy, such as digital marketing. With this, we will be better positioned to seize any arising opportunities that present themselves in the post-pandemic economy.

IN APPRECIATION

I would like to take this opportunity to express my gratitude to Ms Lee Li Erh, who has stepped down as Group Financial Controller and Company Secretary. We appreciate her invaluable contribution towards the Group during her term of service and wish her success in her future endeavours. At the same time, I would like to extend a warm welcome to Ms Wong Pooi Kuan, who took over as the succeeding Group Financial Controller and Company Secretary in March 2020. The team looks forward to working closely with Ms Wong as we forge ahead together with resilience.

On behalf of the Board, I would like to extend my appreciation to the management and staff for their hard work and perseverance during this transitional period. I would also like to thank our business partners, customers and shareholders for their staunch support and faith in us throughout the year. As we navigate through this unprecedented period of uncertainty, we will forge ahead and persevere on to emerge with greater resilience.

THANG TECK JONG (TJ THANG)

Executive Chairman



DANIEL HECHTER
PARIS



BOARD OF DIRECTORS



THANG TECK JONG (TJ THANG)
Executive Chairman

He is the Executive Chairman of the Company. Mr Thang formulates the Group's strategic directions and expansion plans. As the founder, he has been instrumental in the growth and development of the Group since its inception in 1986.

Mr Thang was named as one of the Entrepreneur of the Year 2005 by ASME and the Rotary Club of Singapore. He received the Service to Education Award (Pewter) from Ministry of Education for his long-term contributions. He was conferred a Master's Degree of Business Administration (EMBA) by University of Hull.

FOONG DAW CHING
Lead Independent Director

He is the Lead Independent Director and Chairman of the Audit Committee of the Company. Mr Foong has more than 36 years of audit experience with six years of experience with an international audit firm. He was the managing partner of Baker Tilly TFW LLP until 2010 and regional chairman of Asia Pacific region for Baker Tilly International Limited until 2016.

Mr Foong was awarded the Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003. He is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants, a Fellow member of CPA, Australia and a Chartered Accountant of the Malaysian Institute of Accountants.

He is an Independent Director of Suntar Eco-city Limited, listed on SGX Mainboard. He is also an Independent Director and Audit Committee Chairman of ayondo Ltd, and the Non-Executive Chairman of Luminor Financial Holdings Ltd. Both ayondo Ltd and Luminor Financial Holdings Ltd are listed on Catalist.



BOARD OF DIRECTORS



DR CLEMEN CHIANG WEN YUAN
Independent Director

He is an Independent Director and Chairman of Remuneration and Nominating Committee of the Company. He has been the Chief Executive Officer of Aly Pte. Ltd. since 2016. Aly Pte. Ltd. is a fintech company that provides real-time information on trades made by sophisticated investors to help retail investors make better investment decisions with greater confidence based on market knowledge they never had before. It secured investment from Quest Ventures, a leading venture fund for technology companies that have scalability and replicability in large internet communities. It was supported by the National Research Foundation, Prime Minister's Office, Singapore under the Interactive & Digital Media Strategic Research Programme.

Dr Clemen Chiang Wen Yuan is a Chartered Fellow of the Chartered Management Institute in the United Kingdom, and a Chartered Marketer and a Fellow of the Chartered Institute of Marketing in the United Kingdom. He obtained a Bachelor of Engineering (Civil) from the Nanyang Technological University in 2000, a Master of Business Administration from the University of Louisville, United States in 2002 and a Doctor of Philosophy from the University of Canberra, Australia in 2017.





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KEY MANAGEMENT



WONG POOI KUAN (JOANNE) Group Financial Controller

As the Group Financial Controller, Ms Joanne Wong is responsible for the overall financial strategy, business performance, and accounting operations of the Group. She also acts as the joint company secretary for the Group.

Ms Wong brings with her a wealth of experience spanning across 18 years, in financial audit, accounting, taxation, treasury, project management, and budgetary control from various industries, including retail, F&B, healthcare, and aviation.

She is a Fellow member of the Association of Chartered Certified Accountants (ACCA), a Chartered Accountant of the Institute of Singapore Chartered Accountants (ISCA), and a member of the Malaysian Institute of Accountants (MIA). In March 2021, she obtained a Master of Business Administration and a Master of Human Resources Management from Murdoch University, Perth, Australia.

YEO GUAN HONG (SIMON) General Manager - Demarco Pte Ltd

He is the General Manager of Demarco Pte Ltd ("**Demarco**"). He joined in 2005 as Assistant Manager and rose to become the General Manager of Demarco in 2009.

Previously, Mr Yeo was employed by another wholesale and retail company in Singapore dealing with luggage and bags where he gained considerable knowledge and experience in the wholesale and retail trade.

Mr Yeo is responsible for planning and implementing all action plans and decisions to ensure the profitability objectives of Demarco are achieved. He is also responsible for overseeing the day-to-day operations and administrative matters of Demarco.

Mr Yeo completed his formal education up to the level of School Certificate in Malaysia.



KEY MANAGEMENT



CHEW CHIEW HOR (JOHNNY)
Director - YG Marketing Pte. Ltd.

He is the Director of YG Marketing Pte. Ltd. ("**YG Marketing**"). Having been in the menswear wholesale and retail industry for over 20 years, Johnny has accumulated extensive experience, starting from an operational role before rising to hold various key management positions. Prior to joining Travelite in 2015, he was a founder of a boutique menswear company, developing his house label into a renowned local brand within a short span of 5 years.

Mr Chew is responsible for achieving the strategic and financial objectives of YG Marketing. To ensure that these objectives are met, he also plays an integral role to spearhead strategies and implementing action plans on the operations and administrative decisions of YG Marketing.

He graduated with a Diploma in Marketing from National Productivity Board, or what is known now as PSB Academy in Singapore.

TOH KIAN HOCK (MARK)
General Manager - Singapore Crocodile (1968) Pte Ltd

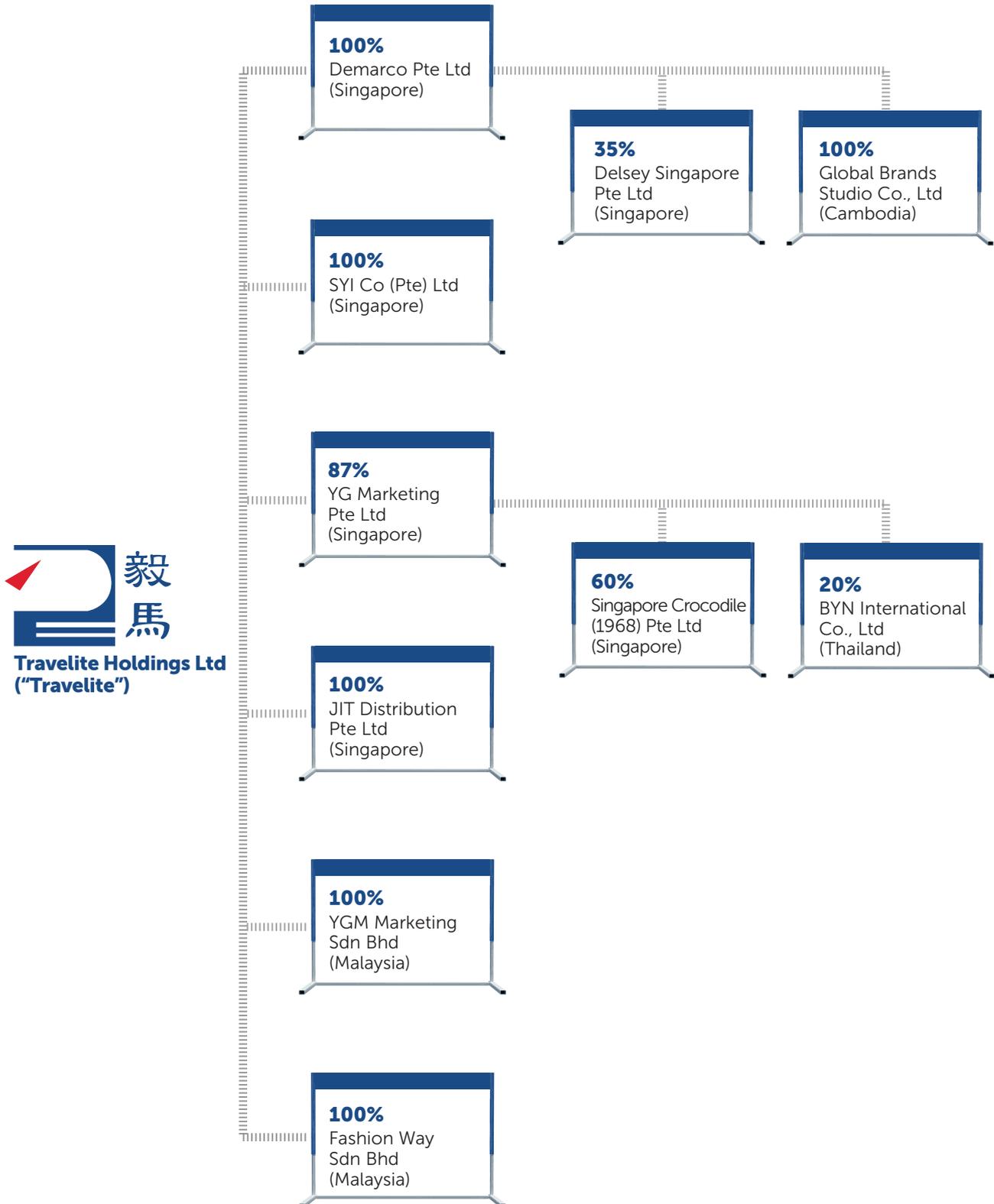
He is the General Manager of Singapore Crocodile (1968) Pte Ltd ("**Singapore Crocodile**"). Prior to joining Travelite in 2015, Mark was previously the Division General Manager of a Hong Kong-listed fashion and retail company in Singapore.

He has over 20 years of experience in the retail trade, mostly in the apparel and accessories segment. Mr Toh is responsible for implementing all action plans and decisions in accordance to the Group's overall strategic business plans and directions. He also oversees the day-to-day operations and administrative matters of Singapore Crocodile.

He completed his formal education up to the Singapore-Cambridge GCE O-Level in Singapore.



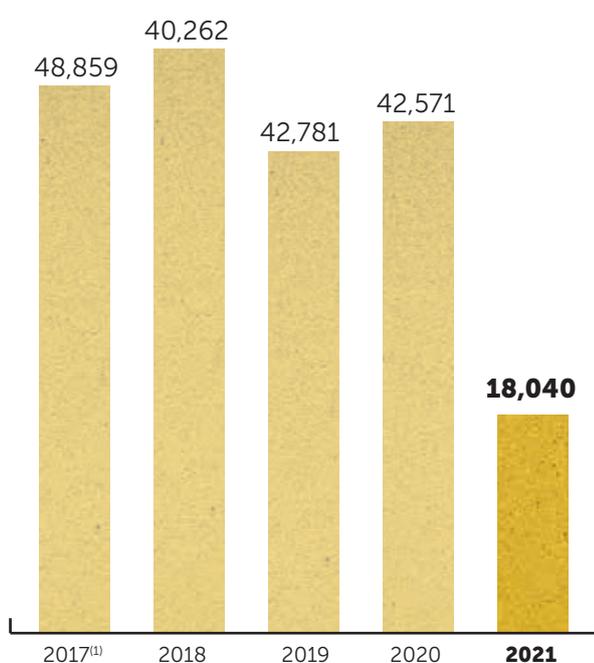
GROUP STRUCTURE



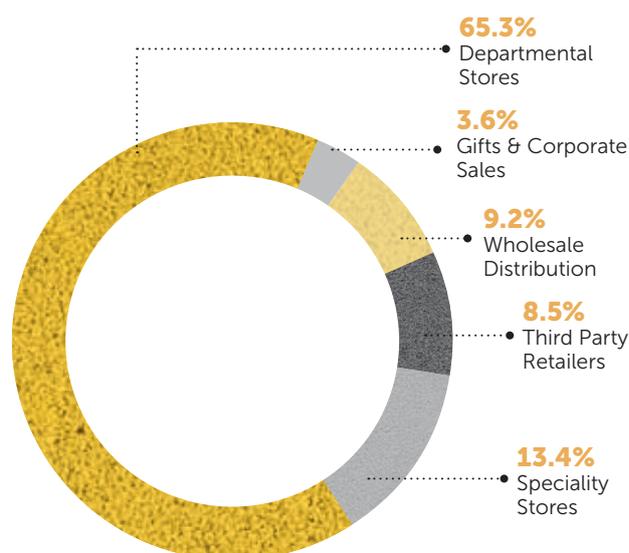


FINANCIAL HIGHLIGHTS

REVENUE (\$'000)



SEGMENT REVENUE



Financial Results	FY2017 ⁽¹⁾	FY2018	FY2019	FY2020	FY2021
Revenue (\$'000)	48,859	40,262	42,781	42,571	18,040
Profit / (Loss) Before Tax (\$'000)	544	(1,316)	399	(5,895)	(1,104)
Earnings / (Loss) Per Share (cents)	0.7	(1.5)	0.4	(9.7)	(2.9)
Financial Position					
Non-Current Assets (\$'000)	24,474	24,722	24,029	30,817	29,996
Net Current Assets (\$'000)	16,388	14,793	15,040	10,440	16,689
Total Equity ⁽²⁾ (\$'000)	29,627	27,957	28,254	22,050	20,719
Net Debt (Cash) (\$'000)	19,198	17,317	14,611	29,157	24,459
Return on Equity (%)	1.4%	-3.5%	0.8%	-27.7%	-8.7%
Net Debt to Equity Ratio (times)	0.6	0.6	0.5	1.3	1.2
Net Assets Per Share (cents) (excluding treasury shares)	47.0	44.3	44.8	34.9	32.8

⁽¹⁾ Financial results and return on equity (%) presented are before applying the classification and presentation requirements of FRS 105 in respect of the business of distribution, wholesale and retail of Delsey products discontinued during FY2017.

⁽²⁾ Includes non-controlling interests.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Travelite Holdings Limited ("**Travelite**") presents its fourth Sustainability Report (the "**Report**"), covering the financial year of 1 April 2020 to 31 March 2021 ("**FY2021**"). The Report is published on an annual basis in compliance with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules 711A and 711B. This report seeks to provide insights into Travelite's performance in key Environmental, Social and Governance ("**ESG**") topics that are material to the business operations in Singapore¹.

This report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core option. The GRI Content Index outlines the material indicators relevant to Travelite and can be found on page 33 of this Report. The GRI Standards have been selected as it is an internationally recognised sustainability reporting framework that covers a comprehensive range of issues relevant to Travelite. The report content is aligned with the GRI reporting principles:

Four Reporting Principles by the GRI Standards: Core Option

01

Stakeholder Inclusiveness

To identify the organisation's stakeholders, and explain how their reasonable expectations and interests have been considered

03

Completeness

To include material topics and their boundaries to reflect significant economic, environmental, and social impacts for stakeholders to assess the organisation's performance in the reporting period

02

Sustainability Context

To present the organisation's performance in the wider context of sustainability at the local, regional, or global level

04

Materiality

To cover topics that reflect the organisation's ESG aspects; or those that influence the assessments and decisions of stakeholders

Figure 1: Reporting Principles of GRI Standards

Travelite has not sought external assurance for this report, and the organisation may consider doing so for subsequent reporting periods in its drive for continuous improvement.

CONTACT US

Any questions or feedback on this report can be directed to:

Group Financial Controller

Joanne Wong Pooi Kuan

joannewong@etravelite.com

¹ In Malaysia, our operations are insignificant (revenue contribution below 10%) and are therefore not in scope. In Indonesia, we are only present through local distributors, which are outside parties, and therefore, Indonesia as a market is not included in the scope of this report either.

SUSTAINABILITY REPORT

SUSTAINABILITY AT TRAVELITE

SUSTAINABILITY GOVERNANCE

A robust governance structure is important to embed responsible and sustainable business practices within our organisation. Travelite's strategy towards a sustainable business model is driven by the Management with the support of the Sustainability Team, and with oversight from the Board. The Board determines the ESG factors identified as material to the business, while the Management is responsible for integrating ESG considerations into the organisation's strategy and operations.

The Sustainability Team comprises of heads of departments across the Travelite group entities. The role of the Sustainability Team is to:

- support the Management in the identification of material ESG factors;
- drive the development and implementation of sustainability policies and procedures in daily operations; and
- continuously engage teams across functions and business units on sustainability matters.

Withstanding the impact of COVID-19 on our business in FY2021, Travelite remains committed to sustainable business practices, long term value creation for stakeholders, and our sustainability governance structure.

OUR SUPPLY CHAIN

Travelite recognises the significance of our supply chain to our success, given our business model of sourcing manufactured goods from suppliers, as a licensee or distributor, to market these products across Southeast Asia. For example, our travel products and ladies' handbags are sourced mainly from China, Belgium, and the United States, while our apparel products are sourced primarily from Singapore, China, Malaysia, and Thailand.

As supply chain resilience is critical to our business, we have invested considerable effort to build and maintain sustainable and responsible supply chain practices, which include:

- an integrated supply chain management system covering procurement and inventory management processes to enable transparency and traceability; and
- supplier environmental and social assessments to identify and manage potential risks within our supply chain.

Travelite endeavours to deliver responsibly sourced products with our stakeholders' interests in mind.

MEMBERSHIP OF ASSOCIATIONS

For FY2021, Travelite continues its membership in the following associations:

- Business Network International
- Singapore Business Federation
- Singapore Chinese Chamber of Commerce & Industry
- Singapore Retailers Association

RISK MANAGEMENT

We are committed to implementing risk management procedures across our operations and supply chain. In FY2021, we continued to manage our business and associated risks in a manner that creates long-term value to our stakeholders. Reviews and improvements are conducted regularly to identify areas of significant risks and we have taken appropriate measures to mitigate these risks.

For more details on our Risk Management approach, please refer to the Corporate Governance section from page 37.

SUSTAINABILITY REPORT

SUSTAINABILITY BOARD STATEMENT

DEAR STAKEHOLDERS,

This year, we witnessed great uncertainties brought about by the global pandemic and the escalating impact of climate change. Global lockdowns and disruptions to travel, transportation, and supply of goods posed challenges to our business and operations. Our customers and society at large are reassessing what the new normal will entail and adapting quickly. In the face of these challenges, Travelite's longstanding commitment to Environmental, Social, and Governance embedment within the business has laid the foundation for our resilience and agility.

The Board continues to pay close attention to our sustainability efforts and performance, to enable strategies that deliver long term stakeholder value.

UNCOMPROMISING QUALITY

In terms of financial performance, in FY2021, the direct economic value generated for our stakeholders is approximately \$20 million². We are committed to maintaining high standards of corporate governance. Regular checks and reviews are conducted for our business operations to pinpoint areas of improvement.

This year, in managing the impacts of COVID-19, we have placed extra care in strengthening the resilience of our business. We have put in place business continuity plans and made updates to our policies to safeguard the health and safety of our employees. We have also adjusted our business development plans to facilitate minimum physical retail operations, and implemented internal manpower shifts to adapt to the changes.

WINDS OF CHANGE

As we continue to manage the impact of the COVID-19 pandemic, we also look upon this period as a silver lining to strengthen our business to adapt to uncertainty and evolve with the changing times.

In this financial year, Travelite has implemented internal shifts in business development and staff reorganisation to become more agile and digital. Going forward, Travelite is making a conscious effort to improve the reach of our business platform through diversifying product offerings, and placing more emphasis on online retail. We are also considering improved trainings provided to our employees in FY2022 to make sure that they are well-equipped to handle changing market requirements.

In a crisis, everyone has an important role to play. We will work with our customers, suppliers, investors, and colleagues to keep our families safe, keep our business resilient, and emerge stronger together.

THANG TECK JONG (TJ THANG)

Executive Chairman

² Direct economic value generated typically refers to the revenue generated by the organisation for the reporting period, which can be calculated as net sales, plus revenues from financial investments and sales of assets.

SUSTAINABILITY REPORT

OUR COMMITMENT

ECONOMIC & GOVERNANCE

ECONOMIC PERFORMANCE

About \$20 million of direct economic value was generated in FY2021.

ANTI-CORRUPTION

We have continued to communicate our anti-corruption policies to all our managers and executives.

SUPPLIER SOCIAL & ENVIRONMENTAL ASSESSMENT

We have assessed all our key suppliers according to our environmental and social assessment criteria.

CUSTOMER PRIVACY

There were no complaints related to customer privacy received.



OUR GREEN MOVEMENT

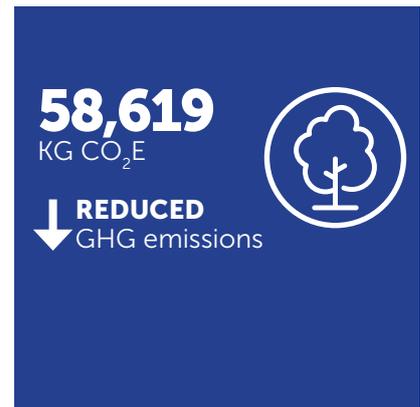
ENVIRONMENTAL

ENERGY

We have reduced our total energy consumption from 810,902 kWh to 698,966 kWh this year, recording a 14% decrease.

EMISSIONS

We have reduced our total GHG emissions by 58,619 kg CO₂e, compared to last year's emissions.



OUR PEOPLE, OUR ASSET

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

There were zero health and safety incidents recorded in FY2021.

TRAINING AND EDUCATION

Our employees underwent a total of 8,375 hours of training in FY2021, averaging to 43.4 hours of training per employee.

NON-DISCRIMINATION

There were no incidents of discrimination reported in FY2021.

EMPLOYMENT

Our new hire rate has reduced from 24% last year to 6% in FY2021, while our turnover rate has increased to 54% compared to 38% from last year.



SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

Travelite recognises the importance of stakeholders in our sustainability journey and how our business activities and products impact them. We regularly engage our stakeholders to understand their perspectives and concerns on ESG topics, which provides data and basis for our materiality assessment.

We use a variety of channels to communicate with our stakeholders to provide them with updates on our developments and activities, and to gather their feedback on sustainability issues, so that we can consider and incorporate their concerns and considerations into our sustainability efforts.

For FY2021, the following stakeholder groups were identified as key, along with their respective areas of concern, and means of engagement:

Stakeholders	GRI Topics	Areas of Concern	Means of Engagement
 Employees	<ul style="list-style-type: none"> • Employment • Training & Education • Diversity & Equal Opportunity • Non-discrimination • Occupational Health & Safety 	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Ethics and conduct • Diversity 	<ul style="list-style-type: none"> • Performance appraisal • Ongoing communication • Training needs identification • Sustainability reporting
 Customers	<ul style="list-style-type: none"> • Customer Privacy 	<ul style="list-style-type: none"> • Corporate social responsibility • Environmental compliance • Social compliance 	<ul style="list-style-type: none"> • Annual reports • Sustainability reporting
 Suppliers	<ul style="list-style-type: none"> • Supplier Environmental Assessment • Supplier Social Assessment 	<ul style="list-style-type: none"> • Usage of packaging materials and recycling efforts 	<ul style="list-style-type: none"> • Sustainability reporting
 Government and Regulatory Bodies	<ul style="list-style-type: none"> • Energy • Emissions • Suppliers Environmental Assessment • Anti-corruption 	<ul style="list-style-type: none"> • Environmental compliance • Environmental matters • Regulatory and industrial requirements (Ministry of Manpower) 	<ul style="list-style-type: none"> • SGX announcements • Annual reports • Sustainability reporting • Ongoing dialogues
 Shareholders and Investors	<ul style="list-style-type: none"> • Economic Performance 	<ul style="list-style-type: none"> • Economic performance • Anti-corruption 	<ul style="list-style-type: none"> • Annual reports • Investor relations management • Sustainability reporting

Figure 2: Travelite's Key Stakeholder Groups

SUSTAINABILITY REPORT

Travelite conducts materiality refreshment exercises every year to make sure that the identified material topics are relevant to our business practices and to our stakeholders. The process for the refreshment exercise is outlined as follows:

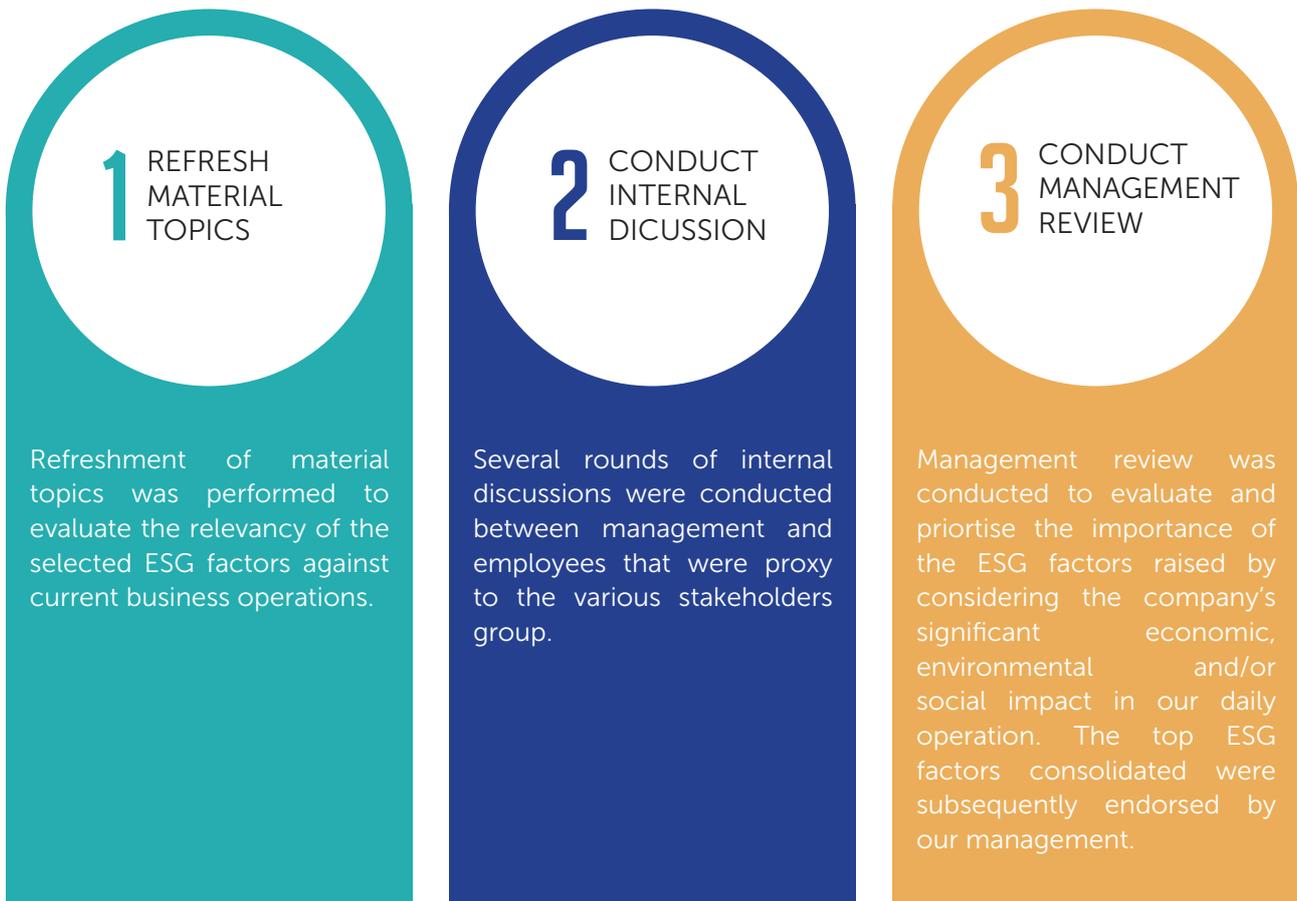


Figure 3: Materiality Assessment Process

SUSTAINABILITY REPORT

The material topics and corresponding GRI sub-topics selected for FY2021 are listed below, including their respective topic boundaries³:

Category	Topic		Sub-topic	Topic Boundary
Economic	Economic Performance	201-1	Direct economic value generated and distributed	Within organisation
	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	Within organisation
Environmental	Energy	302-1	Energy consumption within the organisation	Within organisation
		302-3	Energy intensity	Within organisation
	Emissions	305-2	Indirect GHG emissions (Scope 2)	Within organisation
		305-4	GHG emissions intensity	Within organisation
	Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Outside organisation
Social	Employment	401-1	New employee hires and employee turnover	Within organisation
	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Within organisation
	Training and Education	404-1	Average hours of training per year per employee	Within organisation
		404-3	Percentage of employees receiving regular performance and career development reviews	Within organisation
	Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	Within organisation
	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	Within organisation
	Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	Outside organisation
	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Outside organisation

Figure 4: Material Topics and Key Indicators Identified

³ Topic Boundary refers to where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities.

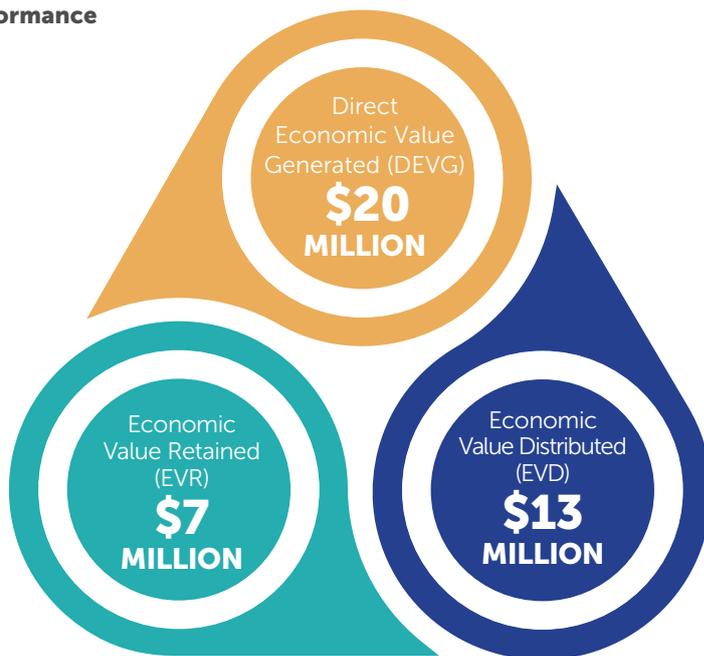
SUSTAINABILITY REPORT

OUR COMMITMENT – ECONOMIC & GOVERNANCE

ECONOMIC PERFORMANCE

The figure below shows Travelite’s economic highlights for FY2021, which includes the direct economic value generated (DEVG)⁴, economic value distributed (EVD)⁵, and economic value retained (EVR)⁶.

FY2021 Economic Performance



Economic Performance Comparison (\$'000)

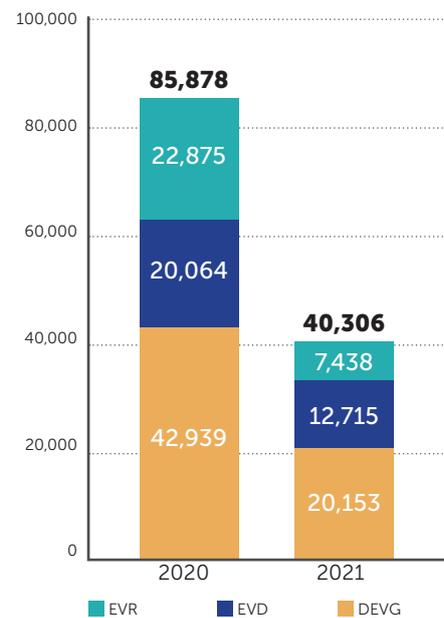


Figure 5: FY2021 Economic Performance Summary

For a more detailed breakdown of our FY2021 financial results, please refer to the relevant financial statement sections in page 69-72.

ANTI-CORRUPTION

Travelite is committed to upholding high standards of integrity, professionalism, and ethics in every aspect of our business. Our Code of Conduct set out the expected standards of behaviour for all employees. Every employee is required to undergo training of the Code of Conduct during their on-boarding process, designed to provide them with knowledge and information to comply with our anti-corruption practices.

The Group has a zero-tolerance policy against any forms of corruption, bribery, and other fraudulent practices. We have developed a set of internal policies to enable our employees to play their part in keeping our working environment free from such activities. Every year, employees take part in a refresher training course on Travelite’s anti-corruption policies, which covers areas such as: interested party transactions, gifts and hospitality, and procurement fraud. These anti-corruption policies provide a framework for employees to assess if their actions are aligned with the Group’s pledge. Supporting structures such as a whistleblowing system are also in place to allow employees to report any misconduct in an anonymous and safe manner.

4 Direct economic value generated typically refers to the revenue generated by the organisation for the reporting period, which can be calculated as net sales, plus revenues from financial investments and sales of assets.
 5 Economic value distributed typically refers to the sum of operating costs, employee wages and benefits, payments to providers of capital, payments to government by country and community investments.
 6 Economic value retained refers to the value of direct economic value generated less economic value distributed.

SUSTAINABILITY REPORT

SUPPLIER ENVIRONMENTAL ASSESSMENT & SOCIAL ASSESSMENT

As a brand management and product distribution company representing over 20 international lifestyle brands, we carry a wide range of products across Southeast Asia. Travelite manages manufactured goods sourced from third-party suppliers, delivering them into the hands of our customers.

Recognising our heavy reliance on these suppliers, and the impact of related environmental and social aspects, we strive towards making our sourcing process and supply chain sustainable, ethical, and transparent. We use our influence through the supply chain to support suppliers in adopting environmentally friendly and socially responsible production processes. Through these efforts, we are working towards extending sustainability efforts beyond our direct suppliers to the wider supplier ecosystem.

In addition, Travelite adopts a screening process for all our key suppliers, which account for 70% of our annual purchases, to check for any negative environmental and social impacts that are caused by their business operations.

The following criteria are used in our Supplier Environmental and Social Assessments:

Supplier Environmental Assessment	Supplier Social Assessment
<ul style="list-style-type: none"> • Land pollution • Air pollution • Water pollution • Noise pollution • Biodiversity loss • Land degradation • Climate change 	<ul style="list-style-type: none"> • Work-related fatalities • Specific-diseases related to work • Incidents of discrimination • Incidents of child labour • Incidents of forced or compulsory labour • Incidents of violations involving rights of indigenous peoples • Operations with negative impacts on local communities (e.g. use of hazardous substances) • Incidents of non-compliance concerning health & safety impacts of products & services • Incidents of non-compliance concerning product and service information and labelling • Incidents of non-compliance concerning marketing communications • Complaints concerning breaches of customer privacy and losses of customer data • Non-compliance with laws and regulations in the social and economic area

In FY2021, no new key suppliers were contracted. Travelite continues to conduct regular spot checks on our key existing suppliers to assess their environmental and social responsibility against our expectations. The spot check results provided data to our supply chain management for informed decision making in selecting suppliers. The spot checks include background checks and observations with regard to the above criteria. Moving forward, Travelite is looking to expand this practice to all our new and existing suppliers as we work towards a more sustainable and ethical supply chain.

CUSTOMER PRIVACY

We value the trust that our customers have placed in us, and we place their interests and privacy at the top of our priorities. Travelite strictly complies with the Personal Data Protection Act ("PDPA"), emphasising on our customers' consent. Aligned with this commitment, all customers are contacted for marketing activities only after their explicit consent are obtained. Personal data of our customers are collected strictly on a need-to-know basis and are only accessible by authorised personnel.

To further our effort to protect customer privacy, Travelite has put in place its own Personal Data Protection Policy that establishes the basis upon which Travelite may collect, use, disclose or otherwise process the personal data of our customers in compliance with the PDPA.

SUSTAINABILITY REPORT

In addition, Travelite also has a data protection officer who is tasked to investigate and resolve complaints received from our customers. In the case that there is any failure to comply with the PDPA, disciplinary actions may be taken against responsible parties, with the severity of the penalty subject on a case-by-case basis.

We are fully committed to building and maintaining the trust that our customers have placed in us, while upholding our reputation and preventing any potential breaches.

Our performance for customer privacy in FY2021 is as follows. We intend to maintain this into the next year as well.



Figure 6: FY2021 Customer Privacy Performance

OUR FOOTPRINT – ENVIRONMENT

ENERGY

Travelite understands the importance of managing our operational footprint to reduce our negative impacts on the environment around us. We are committed to minimising our carbon footprint and doing our part in the fight against climate change.

Within our operations, we focus on two aspects of energy conservation:

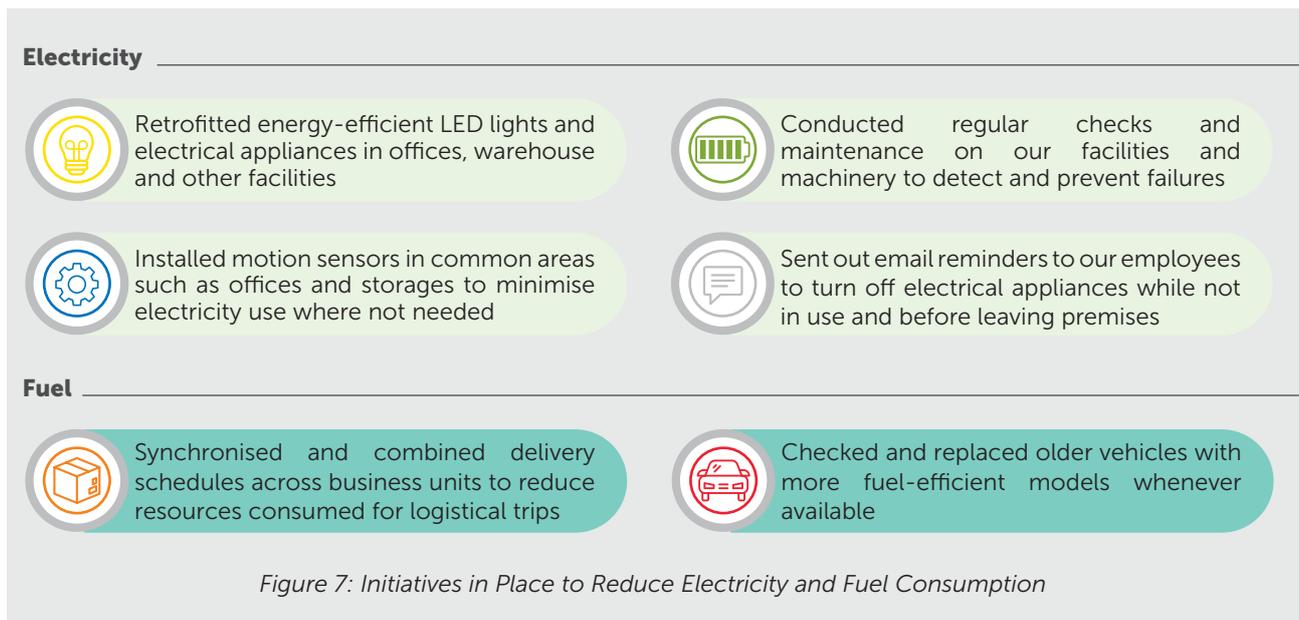


Figure 7: Initiatives in Place to Reduce Electricity and Fuel Consumption

SUSTAINABILITY REPORT

Since 2018, Travelite has pledged to consciously work to address climate change through energy-efficient practices in every aspect of our business. We monitor our energy consumption every year.

In FY2021, our recorded energy consumption at the Ubi property was 698,966 kWh, 14% lower than that of FY2020. This material decrease in energy consumption may be due to a reduction in activity caused by the COVID-19 pandemic. We will continue to monitor and manage our energy consumption in the following years and identify opportunities for further reduction.

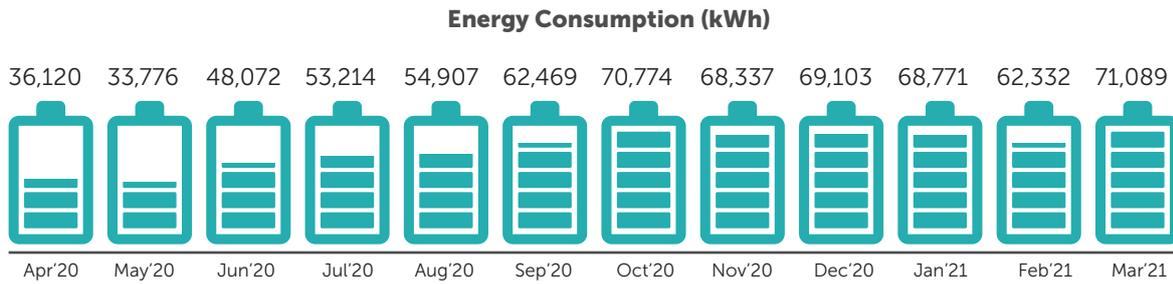


Figure 8: Total FY2021 Energy Consumption in kWh

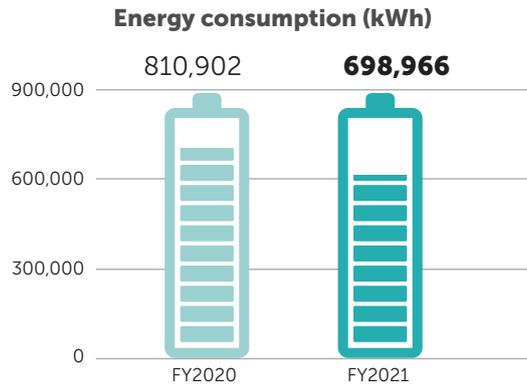


Figure 9: Year-on-Year Comparison of Energy Consumption in kWh

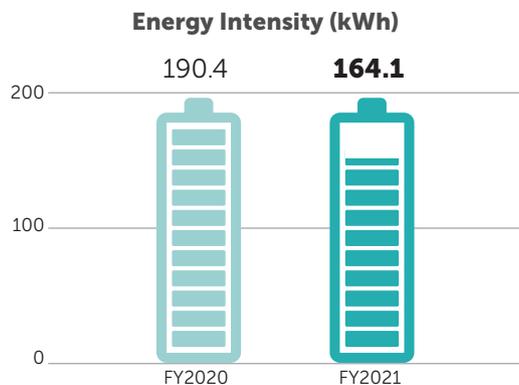


Figure 10: Year-on-Year Comparison of Energy Intensity in kWh/sqm

SUSTAINABILITY REPORT

EMISSIONS

The bulk of Travelite's carbon footprint comes from purchased electricity to enable the operations in our offices and warehouses. We have thus placed heavy emphasis on electricity-efficient practices at work and strongly encouraged our employees to be mindful of their personal energy usage as well. Travelite is committed to reducing our greenhouse gas emissions in line with our long-term goal for a more sustainable business model.

Every year, we set targets for energy consumption and are working on introducing long-term initiatives that can minimise our carbon footprint holistically. Since FY2018⁷, Travelite has pledged to lower or at least maintain our energy consumption levels, energy intensity ratio and greenhouse gas emissions every year.

Our FY2021 emissions performance are in line with our energy performance, and we have outperformed our annual reduction target of a 2% annual reduction of emissions level from FY2020, achieving a 17% reduction in emissions⁸. As this may have been a result of the lowered business activity caused by the COVID-19 pandemic, we will continue to monitor our progress in the coming year to ensure that our efforts remain effective.

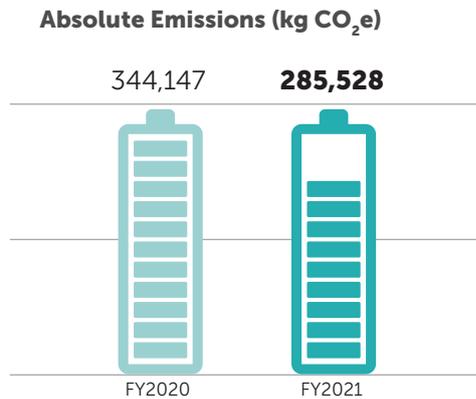


Figure 11: Year-on-Year Comparison of Absolute Emissions in kg CO₂e

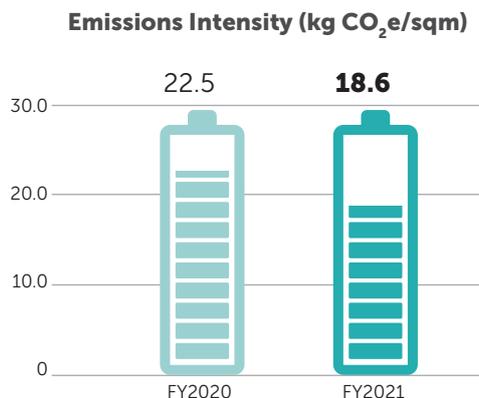


Figure 12: Year-on-Year Comparison of Emissions Intensity in kg CO₂e/sqm

⁷ We have updated the methodology for emissions calculation based on guidance from the Intergovernmental Panel on Climate Change, available at https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_annex-ii.pdf.

⁸ Our emission scope covers the purchased electricity used at the Ubi property. To calculate our emissions, we used the emission factor provided by the Energy Market Authority, available at <https://www.ema.gov.sg/singapore-energy-statistics/Ch02/index2>.

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OUR PEOPLE, OUR ASSETS – SOCIAL

TALENT RETENTION

Our employees are our greatest assets. We rely on them to provide quality service and look after our stakeholder relationships. From frontline sales associates to backend support staff members, Travelite takes the initiative to show our appreciation for our employees regularly and is committed to providing opportunities for them to upgrade their skillsets and develop a long-term career with us.

To ensure we retain the talents that we have, we have focused our efforts in improving the welfare of our employees while providing competitive salaries and bonuses. We provide comprehensive benefit schemes ranging from insurance coverage to interest-free loans to full-time staff. Support systems such as grievance mechanisms aligned with our whistleblowing policy also provide employees with a channel to report any concerns they might have, or any issues faced in the workplace.

In support of work-life balance, Travelite firmly believes in giving employees ample time to spend with their loved ones. We are aligned with the Singapore government’s pro-family policies and the Ministry of Manpower (MOM) regulations related to parental and childcare leave obligations. We are also committed to upholding our employees’ freedom of association and collective bargaining and respecting their rights to be part of trade unions. A group of employees of our subsidiary, Singapore Crocodile (1986) Pte Ltd (“SC”), are covered under a collective agreement in Singapore, with a portion of them being members of the Singapore Industrial & Services Employees’ Union.

Travelite reviews its turnover rate annually with the aim to pinpoint any areas of improvement and to better understand our employees’ needs. The figures below detail our employment performance for FY2021 as compared to the previous year:



Figure 13: FY2021 New Hires Breakdown by Gender and Age

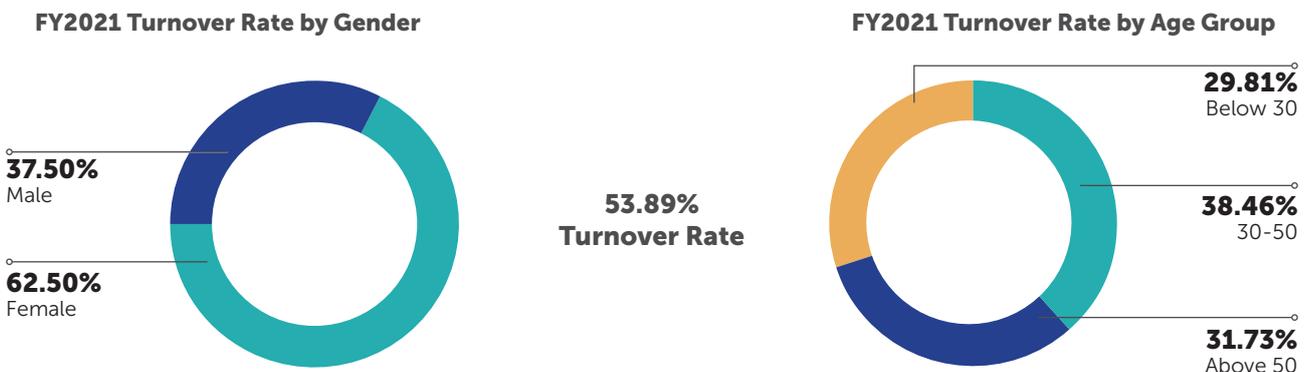


Figure 14: FY2021 Turnover Breakdown by Gender and Age

SUSTAINABILITY REPORT

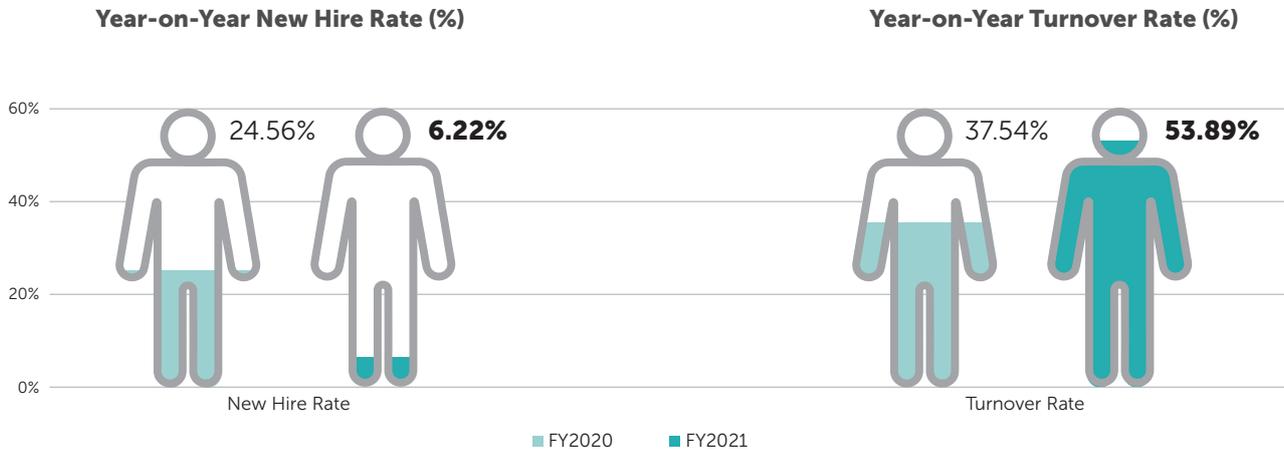


Figure 15: Year-on-Year Comparison of New Hire and Turnover Rates

Travelite is committed to improving talent retention practices and listening to our employees to better cater to their needs. Their morale and productivity go a long way in ensuring the quality of service and supporting the longevity of the business that we do.

OCCUPATIONAL HEALTH AND SAFETY

The health and safety of our employees is of utmost importance to Travelite and our businesses. We provide all our employees with a safe working environment such that they are well protected from risks in the workplace and are able to work effectively. We look after our employees' wellbeing and regularly review our Occupational Health and Safety ("OHS") policies to seek improvement.

Travelite is compliant with the Workplace Safety and Health (WSH) Act, we have adopted current best practices to ensure safety for our employees in the workplace. Facilities and machines are regularly checked and serviced to minimise risk of machinery safety issues. We require our employees to follow recommended safety guidelines and adhere to the process of reporting any incidents of safety issues or major injuries during the course of work. When an issue or incident is reported, detailed investigations are carried out by the Group Human Resource department to identify the source of the issue and take measures to rectify them.

Safety briefing sessions are regularly conducted during town hall briefings and emails are sent out regularly to remind our employees of the importance of maintaining workplace health and safety. Travelite adheres to these internal processes to prevent potential safety issues and to manage OHS effectively.

Travelite has been compliant with the Singapore Fire and Safety Regulations, and fire drills are conducted annually. The exercise equips our employees with the necessary skills to react swiftly in times of fire, with appointment holders being able to practice their responsibilities. We take this annual practice seriously as it keeps the information refreshed in the minds of our employees for emergency preparedness.

We generally encourage our employees to stay healthy and keep fit through regular Group-wide activities such as after-work jogging sessions, lunchtime health and wellness talks and such. Due to COVID-19, we have temporarily suspended social gatherings in adherence to Safe Distancing Measures, we have instead increased our virtual communications and made use of these platforms to increase employee engagement. To better understand the concerns and expectations our employees have of our OHS policies, Travelite conducts frequent feedback sessions, where reviews and improvements are promptly made.

SUSTAINABILITY REPORT

The figure below illustrates our OHS performance for FY2021:



Occupational Health and Safety Performance

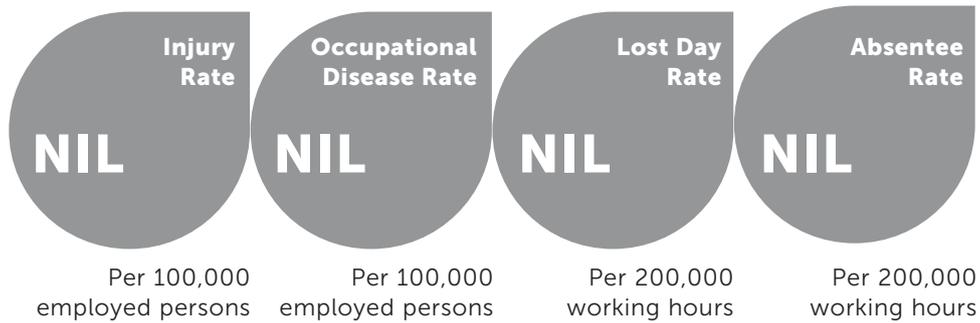


Figure 16: FY2021 OHS Performance

For the second straight year, we have achieved a zero rate for workplace injury, occupational disease, lost days and absenteeism, demonstrating the consistency and effectiveness of our OHS policies and practices. While we face reduced operations due to COVID-19, the safety risks due to lowered manpower requirements may lower in line. Travelite will continue to monitor our OHS performance in FY2022 to maintain these unblemished records.

TRAINING AND EDUCATION

In addition to employee welfare and safety, Travelite has invested in employee training. We want to make sure our employees have opportunities to develop personally and professionally to keep up with the constant changes in the market and industry.

Every year, employees receive performance and career development reviews on a one-to-one basis. During this annual performance review, employees are given feedback regarding their performance, and we receive their feedback on career development. Through this two-way communication, we aim to work with our employees to align their areas of interest and strengths with the business needs and work out pathways to help them achieve their career goals.



Figure 17: FY2021 Staff Appraisal Performance

SUSTAINABILITY REPORT



Figure 18: Employees attending Online Training Sessions

In FY2021, Travelite's Employees (Executives and Non-Executives) and Management have undergone an average of 42.9 and 46.3 hours of training per employee, respectively, with a total of 8,375 training hours provided. This represents a significant from a total of 879 hours in FY2020. This effort is in line with Singapore government initiatives during the COVID-19 pandemic to encourage reskilling and upskilling employees, supported by SkillsFuture Singapore.

As we see training move from being held in-person, physical sessions to virtual meetings, we encourage employees to make use of the convenience of online platforms to participate in more trainings to keep up with and stay ahead of the industry requirements.

Training Hours by Staff Category (In Hour)	FY2020	FY2021
Employee	15	7,171
Management	864	1,204
Total Training Hour	879	8,375

Figure 19: FY2021 Training Hours for Employees

The following topics were covered through the employees' training sessions:

- Business economic outlook, budgeting
- Leadership and management skills
- Human resources management
- Data Protection Act
- Singapore Exchange ruling, corporate governance
- Fire safety and building management
- Retail strategy and industry developments

We also provided additional online training sessions for promoters to sign up and attend during the Circuit Breaker⁹ period:

- Project A Positive And Professional Image
- Apply Teamwork In The Workplace
- Digital Workplace

⁹ The Circuit Breaker refers to the period of April to June 2020, a stay-at-home order mandated by the Singapore government to cope with the COVID-19 pandemic outbreak.

SUSTAINABILITY REPORT

In FY2022, Travelite plans to improve the training offerings for our employees to cover more topics, especially in digital marketing and communications, and help them reach their full potential. We aim for our employees to be able to equip themselves with skillsets that are relevant for us to stay competitive in the industry.

ADAPTING TO BUSINESS DEMANDS

In response to the shifting consumer demands and the impacts of the COVID-19 pandemic, Travelite is diversifying our product offerings as well as reorganising and repurposing our business units. This year, we have accelerated our adoption of digital platforms to reduce reliance on brick and mortar operations. To support this strategic shift, we are placing greater focus and invested in efforts to strengthen our digital capabilities.

In the next year, Travelite plans to insert additional job scopes for appraisal of those employees working on the digital business. We also plan to provide appropriate external trainings for them and recognise their contributions to our digital transformation.

DIVERSITY AND EQUAL OPPORTUNITY

Travelite supports diversity and equal opportunity in the workplace. We believe a diverse workforce is a more productive workforce, our business has benefitted from the healthy contribution of different perspectives. Our human resource policies are firmly against discrimination based on gender, race, or age, in the hiring process.

As of 31 March 2021, the Group has a total of 193 employees consisting 63 male (33%) and 130 female (67%) employees.

We place great emphasis on the bond with our employees and support their long-term career development. To enable career progression, we may prioritise our existing employees' candidacy for new job openings. Before making decisions to offer redundancy packages, we consider redeployment options of the candidate within our Group first.



SUSTAINABILITY REPORT

The figure below illustrates the status of employee diversity in Travelite for FY2021 as compared to FY2020:

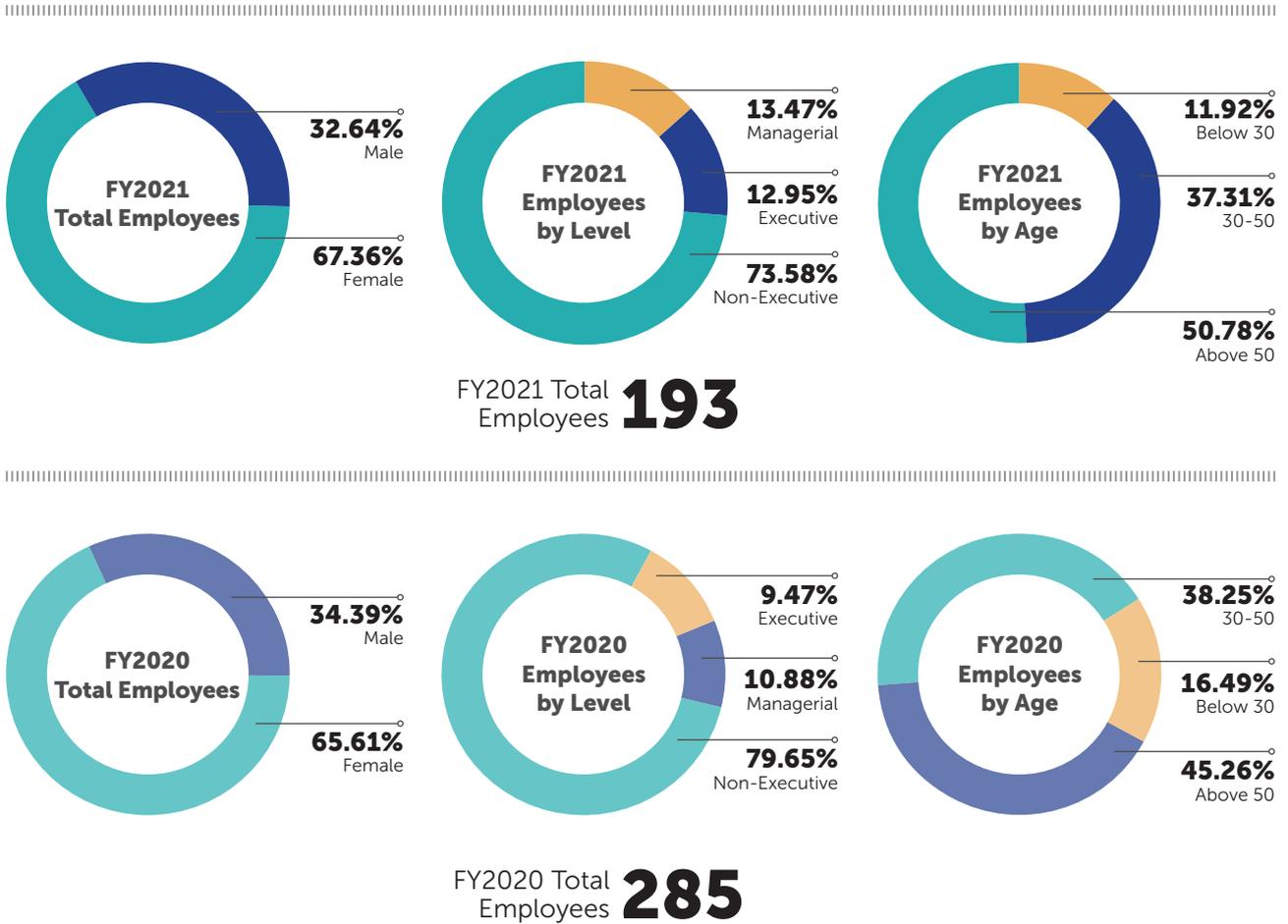


Figure 20: Year-on-Year Comparison of Diversity and Equal Opportunity Performance

NON-DISCRIMINATION

Travelite stands firm on our stance of zero-tolerance for any forms of discrimination within the organisation. Our Code of Conduct requires that clear procedures are taken to address any grievances our employees raise. We are proud to report that there were no recorded incidents of discrimination in FY2021.

In FY2022, Travelite aims to maintain this record, in line with our continual commitment to providing a professional working environment free of any forms of discrimination.

SUSTAINABILITY REPORT

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GRI 102: GENERAL DISCLOSURES		
ORGANISATIONAL PROFILE		
102-1	Name of the organisation	Pg 15
102-2	Activities, brands, products and services	Pg 01, 03
102-3	Location of headquarters	Pg 02
102-4	Location of operations	Pg 01
102-5	Ownership and legal form	Pg 02, 12
102-6	Markets served	Pg 01
102-7	Scale of the organisation	Pg 01, 32
102-8	Information on employees and other workers	Pg 32
102-9	Supply chain	Pg 16
102-10	Significant changes to organisation and its supply chain	N.A. There are no significant changes to Travelite and its supply chain
102-11	Precautionary Principle or approach	Pg 16
102-12	External initiatives	N.A. The Group does not subscribe to any external initiatives
102-13	Membership of associations	Pg 16
STRATEGY		
102-14	Statement from senior decision-maker	Pg 17
ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behaviour	Pg 01
GOVERNANCE		
102-18	Governance structure	Pg 16, 33
STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Pg 19
102-41	Collective bargaining agreements	Pg 23
102-42	Identifying and selecting stakeholders	Pg 19
102-43	Approach to stakeholder engagement	Pg 19
102-44	Key topics and concerns raised	Pg 19
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	Pg 12
102-46	Defining report content and topic Boundaries	Pg 21
102-47	List of material topics	Pg 21
102-48	Restatements of information	N.A. There are no restatements of information in this report
102-49	Changes in reporting	N.A. There is no change in reporting in this report
102-50	Reporting period	Pg 15
102-51	Date of most recent report	Sustainability Report 2020, published 8 September 2020

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GRI Standards: Core Option	Disclosure Title	Page Reference & Remarks
102-52	Reporting cycle	Annually
102-53	Contact point for questions regarding the report	Pg 15
102-54	Claims of reporting in accordance with the GRI Standards	Pg 15
102-55	GRI content index	Pg 33
102-56	External assurance	N.A. Travelite has not sought external assurance for this report
MANAGEMENT APPROACH		
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103-2	The management approach and its components	
103-3	Evaluation of the management approach	
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GRI Standards: Core Option	Disclosure Title	Page Reference & Remarks
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TRAINING AND EDUCATION		
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404-3	Percentage of employees receiving regular performance and career development reviews	Pg 29
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405-1	Diversity of governance bodies and employees	Pg 31
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406-1	Incidents of discrimination and corrective actions taken	Pg 32
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414-1	New suppliers that were screened using social criteria	Pg 23
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REPORT OF CORPORATE GOVERNANCE

The Board of Directors (the “**Board**” or the “**Directors**”) of Travelite Holdings Ltd. (the “**Company**”) is committed to maintaining a high standard of corporate governance within the Company and its subsidiaries (the “**Group**”) to ensure greater transparency and to protect the interests of the Company’s shareholders.

The Company has, since its listing on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 16 May 2007, put in place various policies and practices that will safeguard the interests of shareholders and enhance shareholders’ value as part of its effort to maintain high standards of corporate governance. This report outlines the main corporate governance practices and procedures adopted by the Company in the financial year ended 31 March 2021 (“**FY2021**”) with reference made to each of the principles and provisions of the Code of Corporate Governance 2018 (the “**Code**”). Pursuant to Rule 710 of the Listing Manual of the SGX-ST (the “**Listing Manual**”), the Board confirms that the Company has complied with the principles of the Code for FY2021 and in respect of any deviation from the provisions of the Code, appropriate disclosures and explanations are provided in this report in accordance with the requirements of the Listing Manual.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: The company is headed by an effective board which is collectively responsible and works with management for the long-term success of the company.

Provision 1.1 **Directors are fiduciaries who act objectively in the best interests of the company and hold management accountable for performance. The board puts in place a code of conduct and ethics, sets appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving the issues of conflict.**

The Board is entrusted with the responsibility for the overall management of the business and corporate affairs of the Group and to protect and enhance long-term shareholders’ value. The Board works with the management of the Company (the “**Management**”) to achieve this and the Management remains accountable to the Board.

Apart from its statutory responsibilities, the Board is responsible for:

- approving the Group’s strategic plans, key operational initiatives, major investments and funding decisions;
- identifying principal risks of the Group’s business and ensuring the implementation of appropriate systems to manage these risks;
- reviewing the financial performance of the Group;
- approving the release of the financial results to the shareholders;
- reviewing management performance;
- identifying key stakeholder groups and recognising that their perceptions affect the Company’s reputation;
- setting the Company’s values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- considering sustainability issues as part of its strategic formulation.

Every Director, in the course of carrying out his duties, acts in good faith and considers at all times, the interests of the Group. When an actual, potential and perceived conflict of interest arises, the concerned Director must disclose such interest, recuse himself from discussions and decisions involving the matter and abstain from voting on resolutions regarding the matter.

REPORT OF CORPORATE GOVERNANCE

Provision 1.2 Directors understand the company's business as well as their directorship duties (including their roles as executive, non-executive and independent directors). Directors are provided with opportunities to develop and maintain their skills and knowledge at the company's expense. The induction, training and development provided to new and existing directors are disclosed in the company's annual report.

When a new Director is to be appointed to the Board, he will receive appropriate orientation to familiarise him with the business and organisation structure of the Group. To get a better understanding of the Group's business, the newly appointed Director will also be given the opportunity to visit the Group's operational facilities and meet with the Management. For newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore, they will attend training courses organised by the Singapore Institute of Directors within one year from their appointment dates and other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

The Directors are provided with updates on changes in the relevant new rules and regulations to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities. The Directors may also attend appropriate courses, conferences and seminars at the Company's expense.

Courses, conferences and seminars attended by the Directors in FY2021 include:

Name of Director	Courses, Conferences and Seminars
Dr Clemen Chiang Wen Yuan	Listed Entity Director (LED) Programme organised by the Singapore Institute of Directors: LED 1 – Listed Entity Director Essentials LED 2 – Board Dynamics LED 3 – Board Performance LED 4 – Stakeholder Engagement LED 7 – Nominating Committee Essentials LED 8 – Remuneration Committee Essentials ACRA-SGX-SID Audit Committee Seminar 2021
Foong Daw Ching	ACRA-SGX-SID Audit Committee Seminar 2021 Non-Compliance with Laws Pronouncements Updates by Baker Tilly TFW LLP Ethics Code and Independence Requirements of Public Accountants by Baker Tilly TFW LLP

Provision 1.3 The board decides on matters that require its approval and clearly communicates this to management in writing. Matters requiring board approval are disclosed in the company's annual report.

The Group has adopted internal guidelines for the Management, setting forth matters that require the Board's approval. Matters which are reserved for the Board's decision, include, *inter alia*:

- Corporate strategies and business plans;
- Investment and divestment proposals;
- Material acquisitions and disposals of assets;
- Funding decisions of the Group;

REPORT OF CORPORATE GOVERNANCE

- Appointment or removal of Directors, key management personnel and Company Secretaries;
- Annual budgets, interim and full-year results announcements, annual reports and financial statements;
- Recommendation/declaration of dividends;
- Interested person transactions;
- Identification of key stakeholder groups; and
- All matters of strategic importance.

Provision 1.4 Board committees, including executive committees (if any), are formed with clear written terms of reference setting out their compositions, authorities and duties, including reporting back to the board. The names of the committee members, the terms of reference, any delegation of the board's authority to make decisions, and a summary of each committee's activities, are disclosed in the company's annual report.

To assist in the execution of its responsibilities, the Board has established a number of Board committees including an Audit Committee ("AC"), a Nominating Committee ("NC") and a Remuneration Committee ("RC").

These committees are chaired by independent Directors and operate within clearly defined terms of reference and functional procedures. Each of the Board committees has its own terms of reference setting out the scope of its duties and responsibilities, the rules and regulations and procedures governing the manner in which it is to operate and how decisions are to be taken.

Provision 1.5 Directors attend and actively participate in board and board committee meetings. The number of such meetings and each individual director's attendances at such meetings are disclosed in the company's annual report. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

The Board holds at least two meetings a year at regular intervals, with additional meetings for particular matters convened as and when they are deemed necessary. Telephonic attendance at Board meetings is allowed under the Company's Constitution. The Board and Board committees may also make decisions by way of circulating resolutions in writing.

The number of Board meetings, Board committee meetings and general meetings held and attended by each member of the Board for FY2021 is as follows:

	Board	Board Committee			General Meeting	
		AC	NC	RC	Annual	Extraordinary
Number of meetings held	3	2	2	1	1	1
	Number of meetings attended					
Thang Teck Jong	3	2	2	1	1	1
Foong Daw Ching	3	2	2	1	1	1
Clemen Chiang Wen Yuan	3	2	2	1	1	1

When a Director has multiple board representations, the NC will consider if the Director is able to and has adequately carried out his duties as a Director, taking into consideration the Director's number of listed company board representations and other principal commitments. The Board has set the maximum number of six listed company board representations which any Director may hold at any one time so as to be able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as Director of the Company.

REPORT OF CORPORATE GOVERNANCE

Provision 1.6 Management provides directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities.

Directors are furnished regularly with information from the Management about the Group as well as the relevant background information relating to the business to be discussed at Board and Board committee meetings. Detailed board papers which contain sufficient information on the issues to be considered are prepared and circulated to the Directors in advance for each meeting to give the Directors sufficient time to review the matters.

Provision 1.7 Directors have separate and independent access to management, the company secretary, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary is a decision of the board as a whole.

The Directors are provided with the contact details of the Management and the Company Secretaries to facilitate separate and independent access.

Either one of the Company Secretaries attends Board and Board committee meetings. Together with the Management, the Company Secretaries are responsible for ensuring that appropriate procedures are followed and that the requirements of the Companies Act, Chapter 50 (the "**Companies Act**"), and the provisions in the Listing Manual are complied with. The appointment and the removal of the Company Secretaries are subject to the approval of the Board.

Each Director has the right to seek independent legal and other professional advice, at the Company's expense, concerning any aspect of the Group's operations or undertakings in order to fulfil his duties and responsibilities as Director.

Board Composition and Guidance

Principle 2: The board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provision 2.1 An "independent" director is one who is independent in conduct, character and judgement, and has no relationship with the company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interests of the company.

The Board currently comprises three members, two of whom are independent Directors, as follows:

Executive Director

Mr Thang Teck Jong (Executive Chairman)

Independent Directors

Mr Foong Daw Ching (Lead Independent Director)

Dr Clemen Chiang Wen Yuan

The independence of each independent Director is reviewed annually by the NC based on the guidelines set forth in the Code and the Listing Manual. The independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company. The NC is of the view that Mr Foong Daw Ching and Dr Clemen Chiang Wen Yuan are independent.

REPORT OF CORPORATE GOVERNANCE

Currently, Mr Foong Daw Ching has served on the Board for more than nine years from the date of his first appointment. In anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will come into effect from 1 January 2022, the re-appointment of Mr Foong Daw Ching who has served on the Board for more than nine years from the date of his first appointment, will be subject to the mandatory two-tier shareholders' voting at the annual general meeting ("**AGM**"). Under the mandatory two-tier shareholders' voting, the re-appointment of Mr Foong Daw Ching as independent Director is subject to approval in separate resolutions by (a) all shareholders; and (b) all shareholders, excluding shareholders who are Directors or Chief Executive Officer ("**CEO**") of the Company, and their respective associates.

The Board is of the view that the independence of the independent Directors must be based on the substance of their professionalism, integrity and objectivity, and not merely based on form such as the number of years which they have served on the Board. The Board conducted rigorous review of the independence of Mr Foong Daw Ching by examining any conflicts of interest, his review and scrutiny of matters and proposals put before the Board, his exercise of independent judgement, the effectiveness of his oversight role as a check and balance on the acts of the executive Chairman and the Management as well as his role in enhancing and safeguarding the interests of the Company and its shareholders. Upon review, the Board considers Mr Foong Daw Ching to remain independent.

Provision 2.2 Independent directors make up a majority of the board where the chairman is not independent.

Provision 2.3 Non-executive directors make up a majority of the board.

The Board currently comprises three members, two of whom are independent Directors, and the Chairman of the Board is not an independent Director. This composition complies with Provision 2.2 and Provision 2.3.

Provision 2.4 The board and board committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance and mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, so as to avoid groupthink and foster constructive debate. The board diversity policy and progress made towards implementing the board diversity policy, including objectives, are disclosed in the company's annual report.

The Board, through the NC, has examined its size and is of the view that it is of an appropriate size for effective decision-making, taking into account the scope and nature of the operations of the Group. There is adequate relevant competence on the part of the Directors, who, as a group, carry specialist backgrounds in accounting, finance, business management and strategic planning. Details of the Directors' academic and professional qualifications are set out in the "Board of Directors" section of this Annual Report. The Board is also of the view that no individual or small group of individuals dominates the Board's decision-making process.

The Board recognises the benefits of having a diverse Board to help bring in new ways of thinking, insights and different perspectives to the Board, which will result in productivity and quality of Board deliberations. While the Board and NC have not implemented a fixed diversity policy, the composition of the Board is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience to enable the Management to benefit from a diverse perspective in reviewing the issues that are brought before the Board and enable it to make decisions in the best interests of the Company. This assists the NC in identifying and nominating suitable candidates for appointment to the Board.

Provision 2.5 Non-executive directors and/or independent directors, led by the independent chairman or other independent director as appropriate, meet regularly without the presence of management. The chairman of such meetings provides feedback to the board and/or chairman as appropriate.

The independent Directors confer with the executive Chairman and the Management to develop strategies for the Group, review the performance of the Management, assess remuneration and discuss corporate governance matters. Where necessary, the independent Directors meet and discuss on the Group's affairs without the presence of the Management and provide feedback to the Board as appropriate.

REPORT OF CORPORATE GOVERNANCE

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the board and management, and no one individual has unfettered powers of decision-making.

Provision 3.1 The chairman and the CEO are separate persons to ensure an appropriate balance of power, increased accountability, and greater capacity of the board for independent decision making.

Provision 3.2 The board establishes and sets out in writing the division of responsibilities between the chairman and the CEO.

Mr Thang Teck Jong is the executive Chairman of the Company and is responsible for the formulation of the Group's strategic directions and expansion plans. Taking into account the size of the operations of the Group, the Company does not appoint a CEO and the general managers of each of the subsidiaries are responsible for the overall day-to-day management of the respective subsidiaries.

With the assistance of the Company Secretaries, Mr Thang Teck Jong sets out the agenda for Board meetings and ensures that adequate time is available for discussion of all agenda items. He promotes high standards of corporate governance as well as an open environment for debate, and ensures that the independent Directors are able to speak freely and contribute effectively. He also ensures that the Board receives complete, adequate and timely information. In addition, Mr Thang Teck Jong plays a pivotal role in ensuring effective communication with shareholders at general meetings of the Company, and encouraging constructive relations within the Board and between the Board and the Management.

Provision 3.3 The board has a lead independent director to provide leadership in situations where the chairman is conflicted, and especially when the chairman is not independent. The lead independent director is available to shareholders where they have concerns and for which contact through the normal channels of communication with the chairman or management are inappropriate or inadequate.

Mr Foong Daw Ching is the Lead Independent Director of the Company. He is available to shareholders when they have concerns where contact through the normal channels of communication with the executive Chairman and/or Group Financial Controller are inappropriate or inadequate.

Board Membership

Principle 4: The board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the board.

Provision 4.1 The board establishes a NC to make recommendations to the board on relevant matters relating to:

- (a) the review of succession plans for directors, in particular the appointment and/or replacement of the chairman, the CEO and key management personnel;
- (b) the process and criteria for evaluation of the performance of the board, its board committees and directors;
- (c) the review of training and professional development programmes for the board and its directors; and
- (d) the appointment and re-appointment of directors (including alternate directors, if any).

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The principal functions of the NC are as follows:

- (a) to make recommendations to the Board on appointments and re-appointment of Directors;
- (b) to determine annually whether or not a Director is independent within the meaning of the Code and the Listing Manual;
- (c) in respect of a Director who has multiple board representations, to determine whether such Director is able to and has been adequately carrying out his duties as Director;
- (d) to decide the process and criteria for evaluation of the performance of the Board, its Board committees and Directors;
- (e) to review the succession plans for Directors;
- (f) to regularly review the Board structure, size and composition and make recommendations to the Board with regard to any adjustments that are deemed necessary; and
- (g) to review the training and professional development programmes for the Board.

Provision 4.2 The NC comprises at least three directors, the majority of whom, including the NC chairman, are independent. The lead independent director, if any, is a member of the NC.

The NC comprises three Directors, namely Dr Clemen Chiang Wen Yuan, Mr Foong Daw Ching and Mr Thang Teck Jong. The Chairman of the NC is Dr Clemen Chiang Wen Yuan. Dr Clemen Chiang Wen Yuan and Mr Foong Daw Ching are independent Directors while Mr Thang Teck Jong is the executive Chairman.

Provision 4.3 The company discloses the process for the selection, appointment and re-appointment of directors to the board, including the criteria used to identify and evaluate potential new directors and channels used in searching for appropriate candidates in the company's annual report.

In the event that a vacancy on the Board arises, the NC may identify suitable candidates for appointment as new Directors through the social and business network of the Board. The NC will generally assess suitable candidates for appointment to the Board based on the requisite qualifications, expertise and experience. If the NC decides that the candidate is suitable, the NC then recommends its choice to the Board. Meetings with such candidates may be arranged to facilitate open discussion.

The Constitution of the Company provides that at least one-third of the Directors shall retire from office by rotation at each AGM of the Company, and all Directors shall retire from office at least once every three years. A retiring Director is eligible for re-election by the shareholders at the AGM. The Constitution of the Company also provides that any new Director appointed by the Board shall hold office only until the next AGM and is eligible for re-election by the shareholders at the AGM.

The NC assesses and recommends to the Board whether retiring Directors are suitable for re-election. The NC, in considering the re-appointment of a Director, evaluates such Director's contributions in terms of experience, business perspective and attendance at meetings of the Board and/or Board committees, as well as pro-activeness of participation at such meetings. Each member of the NC will abstain from recommending his own re-election. The NC has recommended the re-election of Mr Thang Teck Jong and Mr Foong Daw Ching at the forthcoming AGM. The Board has accepted the NC's recommendation.

REPORT OF CORPORATE GOVERNANCE

Provision 4.4 The NC determines annually, and as and when circumstances require, if a director is independent, having regard to the circumstances set forth in Provision 2.1. Directors disclose their relationships with the company, its related corporations, its substantial shareholders or its officers, if any, which may affect their independence, to the board. If the board, having taken into account the views of the NC, determines that such directors are independent notwithstanding the existence of such relationships, the company discloses the relationships and its reasons in its annual report.

The independence of each independent Director is reviewed annually by the NC based on the guidelines set forth in the Code and the Listing Manual. The independent Directors have confirmed that they do not have any relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement in the best interests of the Company.

Provision 4.5 The NC ensures that new directors are aware of their duties and obligations. The NC also decides if a director is able to and has been adequately carrying out his or her duties as a director of the company. The company discloses in its annual report the listed company directorships and principal commitments of each director, and where a director holds a significant number of such directorships and commitments, it provides the NC's and board's reasoned assessment of the ability of the director to diligently discharge his or her duties.

Newly appointed Directors who do not have prior experience as a director of a public listed company in Singapore are required to attend training courses organised by the Singapore Institute of Directors within one year from their appointment dates and other training institutions in areas such as accounting, legal and industry-specific knowledge, where appropriate, in connection with their duties.

All Directors declare their board representation as and when practicable. The NC has reviewed and is satisfied that all Directors have devoted sufficient time and attention to the affairs of the Company to adequately perform their duties as Directors of the Company. The information on each Directors' directorships in other listed companies and other principal commitments is set out below:

Name	Directorships in Other Listed Companies	Other Principal Commitments
Thang Teck Jong	Nil	Nil
Foong Daw Ching	<ul style="list-style-type: none"> - ayondo Ltd. - Luminor Financial Holdings Limited (formerly known as Starland Holdings Limited) - Suntar Eco-City Limited 	<ul style="list-style-type: none"> - Tung Ling Student Care Centre (President) - Tung Ling Community Services (President)
Clemen Chiang Wen Yuan	Nil	Engaged in the business of financial technology at Aly Pte. Ltd.

Key information regarding the Directors and information on shareholdings in the Company held by each Director are set out in the "Board of Directors" and "Statement by Directors" sections of this Annual Report respectively.

The Board has set the maximum number of six listed company board representations which any Director may hold at any one time so as to be able to devote sufficient time and attention to the affairs of the Company to adequately discharge his duties as Director of the Company. All Directors have complied with this requirement.

REPORT OF CORPORATE GOVERNANCE

Board Performance

Principle 5: The board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 The NC recommends for the board's approval the objective performance criteria and process for the evaluation of the effectiveness of the board as a whole, and of each board committee separately, as well as the contribution by the chairman and each individual director to the board.

Provision 5.2 The company discloses in its annual report how the assessments of the board, its board committees and each director have been conducted, including the identity of any external facilitator and its connection, if any, with the company or any of its directors.

The NC decides how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the Board's approval, which address how the Directors have enhanced long-term shareholders' value. The Board has also implemented a process to be carried out by the NC for assessing the effectiveness of the Board as a whole and the Board committees, and for assessing the contribution from the Chairman of the Board and each individual Director to the effectiveness of the Board. Assessment checklists which include evaluation factors such as Board composition and structure, conduct of meetings, corporate strategy and planning, risk management and internal control, measuring and monitoring performance, training and recruitment, compensation, financial reporting and communicating with shareholders, are disseminated to each Director for completion and the assessment results are discussed at the NC meeting.

No external facilitator was engaged by the Company for assessing the effectiveness of the Board in FY2021.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6: The board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 The board establishes a remuneration committee to review and make recommendations to the board on:

- (a) a framework of remuneration for the board and key management personnel; and
- (b) the specific remuneration packages for each director as well as for the key management personnel.

The principal functions of the RC are to review and recommend to the Board a framework of remuneration for the Directors and key management personnel, and the specific remuneration packages for each Director and key management personnel.

Each member of the RC will abstain from voting on any resolutions in respect of his own remuneration and the remuneration of employees related to him.

Provision 6.2 The RC comprises at least three directors. All members of the RC are non-executive directors, the majority of whom, including the RC chairman, are independent.

The RC comprises three Directors, namely Dr Clemen Chiang Wen Yuan, Mr Foong Daw Ching and Mr Thang Teck Jong. The Chairman of the RC is Dr Clemen Chiang Wen Yuan. Dr Clemen Chiang Wen Yuan and Mr Foong Daw Ching are independent Directors while Mr Thang Teck Jong is the executive Chairman.

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The RC does not comprise wholly non-executive Directors as recommended by the Code, as the Board is of the view that with the executive Chairman's understanding of the Group's operations, he is in an appropriate position to advise and recommend to the Board on the remuneration packages for the key management personnel of the Group. However, independence is not compromised as the majority of the members of the RC are independent.

Provision 6.3 The RC considers all aspects of remuneration, including termination terms, to ensure they are fair.

The RC considers all aspects of remuneration, including Directors' fees, salaries, bonuses, allowances, options and benefits in kind.

The RC also reviews the Company's obligations arising from termination clauses and termination processes in relation to the executive Chairman and key management personnel's contracts of service to ensure that such clauses and processes are fair and reasonable.

Provision 6.4 The company discloses the engagement of any remuneration consultants and their independence in the company's annual report.

The RC did not seek any external professional advice on remuneration of the Directors in FY2021.

Level and Mix of Remuneration

Principle 7: The level and structure of remuneration of the board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provision 7.1 A significant and appropriate proportion of executive directors' and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. Performance-related remuneration is aligned with the interests of shareholders and other stakeholders and promotes the long-term success of the company.

The Company has a remuneration policy for the executive Chairman and key management personnel which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus, respectively, and take into account the performance of the Group and the performance of the executive Chairman and individual key management personnel. In structuring the compensation framework, the Company also takes into account its risk policies, the need for the compensation to be symmetric with the risk outcomes and the time horizons of risks.

The Company had entered into a service agreement with Mr Thang Teck Jong, the executive Chairman. The service agreement is subject to automatic renewal upon expiry on such terms and conditions as the parties may agree, and provide for, *inter alia*, termination by either party upon giving the requisite notice period. Mr Thang Teck Jong is entitled to receive an annual performance bonus based on the audited profit before tax of the Group when it achieves S\$2,500,000 for the financial year pursuant to his service agreement. No annual performance bonus has been paid to Mr Thang Teck Jong for FY2021. The service agreement of Mr Thang Teck Jong provides that the Company shall be entitled to recover from him the relevant portion of the bonus and any sum paid under his service agreement in the event that there is a restatement of the financial statements of the Company made to reflect the correction of a misstatement due to error or fraud (not change in accounting principle) during the financial year of the Company, or misconduct of Mr Thang Teck Jong resulting in financial loss to the Company.

Provision 7.2 The remuneration of non-executive directors is appropriate to the level of contribution, taking into account factors such as effort, time spent, and responsibilities.

The independent Directors are paid fixed Directors' fees, which are determined by the Board, appropriate to the level of their contribution, taking into account factors such as the effort and time spent and the responsibilities of the independent Directors. The Directors' fees are subject to approval by shareholders at each AGM.

REPORT OF CORPORATE GOVERNANCE

Provision 7.3 Remuneration is appropriate to attract, retain and motivate the directors to provide good stewardship of the company and key management personnel to successfully manage the company for the long term.

The Board ensure that remuneration policies and practices are sound in that they are able to attract, retain and motivate without being excessive, and thereby maximise shareholders' value.

Disclosure on Remuneration

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1 The company discloses in its annual report the policy and criteria for setting remuneration, as well as names, amounts and breakdown of remuneration of:

- (a) each individual director and the CEO; and
- (b) at least the top five key management personnel (who are not directors or the CEO) in bands no wider than S\$250,000 and in aggregate the total remuneration paid to these key management personnel.

Provision 8.3 The company discloses in its annual report all forms of remuneration and other payments and benefits, paid by the company and its subsidiaries to directors and key management personnel of the company. It also discloses details of employee share schemes.

The Company has a remuneration policy for the executive Chairman and key management personnel which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and a variable bonus, respectively, and take into account the performance of the Group and the performance of the executive Chairman and individual key management personnel. In structuring the compensation framework, the Company also takes into account its risk policies, the need for the compensation to be symmetric with the risk outcomes and the time horizons of risks.

The breakdown of the total remuneration of the Directors for FY2021 is set out below:

Name	Fee ⁽¹⁾	Salary	Bonus	Benefits	Total Remuneration
	%	%	%	%	%
S\$250,000 to S\$500,000					
Thang Teck Jong	–	91	–	9	100
S\$0 to S\$250,000					
Foong Daw Ching	100	–	–	–	100
Dr Clemen Chiang Wen Yuan	100	–	–	–	100

Note:

(1) These fees are subject to the approval of the shareholders at the forthcoming AGM.

REPORT OF CORPORATE GOVERNANCE

The breakdown of the total remuneration of the top key management personnel of the Group for FY2021 is set out below:

Name	Salary	Bonus	Benefits	Total Remuneration
	%	%	%	%
S\$0 to S\$250,000				
Chew Chiew Hor	100	–	–	100
Toh Kian Hock	100	–	–	100
Yeo Guan Hong	91	–	9	100
Wong Pooi Kuan	100	–	–	100
Lee Li Erh ⁽¹⁾	100	–	–	100

Note:

(1) Ms Lee Li Erh ceased to be the Group Financial Controller on 8 May 2020.

Given the general sensitivity and confidentiality of remuneration matters, the Company is not disclosing the remuneration of each Director and key management personnel of the Group. However, the Company adopts the disclosure of remuneration in bands of S\$250,000 which would provide a good overview and is informative of the remuneration of each Director and key management personnel.

There were only four key management personnel in the Group as at FY2021. The aggregate total remuneration paid to the aforementioned key management personnel (including Ms Lee Li Erh) in FY2021 amounted to S\$410,935.

There are no termination, retirement and post-employment benefits that may be granted to the Directors and key management personnel of the Group.

Provision 8.2 The company discloses the names and remuneration of employees who are substantial shareholders of the company, or are immediate family members of a director, the CEO or a substantial shareholder of the company, and whose remuneration exceeds S\$100,000 during the year, in bands no wider than S\$100,000, in its annual report. The disclosure states clearly the employee's relationship with the relevant director or the CEO or substantial shareholder.

There are no employees who are substantial shareholders of the Company, or are immediate family members of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 during FY2021.

REPORT OF CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The board is responsible for the governance of risk and ensures that management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1 The board determines the nature and extent of the significant risks which the company is willing to take in achieving its strategic objectives and value creation. The board sets up a board risk committee to specifically address this, if appropriate.

The Company does not have a risk management committee. However, the Management regularly reviews and improves the Group's business and operational activities to identify areas of significant business risks as well as appropriate measures to control and mitigate such risks. The Management reviews significant control policies and procedures and highlights significant matters to the Board and the AC. The Board is responsible for governance of risk management, and determining the Group's levels of risk tolerance and risk policies.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Group's assets. The system of internal controls is supplemented by the review of the Group's internal auditor of the effectiveness of the Group's material internal controls, at least once annually. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. No significant control issues were reported by the internal auditor for FY2021.

The independent auditor of the Company, RSM Chio Lim LLP, has during the course of its audit, carried out a review of the effectiveness of key internal controls within the scope as laid out in its audit plan. No material non-compliance and internal control weaknesses were noted during its audit for FY2021.

Provision 9.2 The board requires and discloses in the company's annual report that it has received assurance from:

- (a) the CEO and the chief financial officer that the financial records have been properly maintained and the financial statements give a true and fair view of the company's operations and finances; and
- (b) the CEO and other key management personnel who are responsible, regarding the adequacy and effectiveness of the company's risk management and internal control systems.

The Company does not have a CEO and chief financial officer. The Board has, however, received assurance from the executive Chairman and the Group Financial Controller that (a) the financial records have been properly maintained and the financial statements for FY2021 give a true and fair view of the Group's operations and finances; and (b) the Group has put in place and will continue to maintain a reasonably adequate and effective systems of risk management and internal controls.

Based on the internal controls established and maintained by the Group, work performed by the internal and independent auditors, and reviews performed by the Management, various Board committees and the Board, the Board, with the concurrence of the AC, is of the opinion that the risk management and internal control systems maintained by the Group, addressing the financial, operational, compliance and information technology risks of the Group are adequate and effective as at 31 March 2021. The Board and the AC note that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

REPORT OF CORPORATE GOVERNANCE

Audit Committee

Principle 10: The board has an AC which discharges its duties objectively.

Provision 10.1 The duties of the AC include:

- (a) **reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;**
- (b) **reviewing at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;**
- (c) **reviewing the assurance from the CEO and the chief financial officer on the financial records and financial statements;**
- (d) **making recommendations to the board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors;**
- (e) **reviewing the adequacy, effectiveness, independence, scope and results of the external audit and the company's internal audit function; and**
- (f) **reviewing the policy and arrangements for concerns about possible improprieties in financial reporting or other matters to be safely raised, independently investigated and appropriately followed up on. The company publicly discloses, and clearly communicates to employees, the existence of a whistle-blowing policy and procedures for raising such concerns.**

The principal functions of the AC are as follows:

- (a) reviewing the announcement of the half-year and full-year results and the financial statements of the Group;
- (b) reviewing the audit plans and reports of the independent auditor and internal auditor and considering the effectiveness of the actions taken by the Management on the independent auditor and internal auditor's recommendations;
- (c) appraising and reporting to the Board on the audit undertaken by the independent auditor, the adequacy of disclosure of information, and the appropriateness and quality of the system of internal controls;
- (d) reviewing the assistance and co-operation given by the Management to the independent auditor and internal auditor;
- (e) discussing problems and concerns, if any, arising from the independent audit;
- (f) nominating the independent auditor for re-appointment; and
- (g) reviewing interested person transactions, as defined in the Listing Manual.

In addition, the AC is given the task to commission investigations into matters where there is suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation, which has or is likely to have a material impact on the Group's operating results or financial position, and to review the findings thereof. It has full access to, and the co-operation of the Management and full discretion to invite any key management personnel to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

REPORT OF CORPORATE GOVERNANCE

The Board has on the recommendation of the AC adopted a whistle-blowing procedure to allow employees to confidentially report possible improprieties which may cause financial or non-financial loss to the Group. No such whistle-blowing letter was received in FY2021.

The fees paid or payable to the auditors of the Group for audit and non-audit services during FY2021 are as follows:

	Audit Services	Non-audit Services
Independent auditor	S\$155,000	S\$21,000
Other auditor	S\$3,000	S\$17,000

The AC constantly bears in mind the need to maintain a balance between the independence and objectivity of the independent auditor and the cost effectiveness of the audit. It has also undertaken a review of the fees payable to the independent auditor for the non-audit services in FY2021. The non-audit services performed by the independent auditor relate to tax compliance services and in the AC's opinion, would not affect the objectivity and independence of the independent auditor. The AC is of the view that RSM Chio Lim LLP is suitable for re-appointment and it has accordingly recommended to the Board that RSM Chio Lim LLP be nominated for re-appointment as auditor of the Company at the forthcoming AGM.

The Group has complied with Rules 712 and 715 of the Listing Manual in appointing its audit firms.

Provision 10.2 The AC comprises at least three directors, all of whom are non-executive and the majority of whom, including the AC chairman, are independent. At least two members, including the AC chairman, have recent and relevant accounting or related financial management expertise or experience.

The AC comprises three Directors, namely Mr Foong Daw Ching, Dr Clemen Chiang Wen Yuan and Mr Thang Teck Jong. The Chairman of the AC is Mr Foong Daw Ching. Mr Foong Daw Ching and Dr Clemen Chiang Wen Yuan are independent Directors while Mr Thang Teck Jong is the executive Chairman.

The Board is of the view that the AC, chaired by Mr Foong Daw Ching, has sufficient financial management expertise and experience to discharge the AC's functions. Mr Foong Daw Ching has more than 30 years of audit experience and Mr Thang Teck Jong has more than 30 years of experience in strategic and business planning. The Board is confident that the corporate governance of the Company has not been and will not be compromised by the existing composition of the AC and that the independent Directors in the AC will continue to benefit from the experience and expertise of the executive Chairman in the AC in carrying out their respective duties effectively.

Provision 10.3 The AC does not comprise former partners or directors of the company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or auditing corporation.

No former partner of the Company's existing auditing firm is a member of the AC.

Provision 10.4 The primary reporting line of the internal audit function is to the AC, which also decides on the appointment, termination and remuneration of the head of the internal audit function. The internal audit function has unfettered access to all the company's documents, records, properties and personnel, including the AC, and has appropriate standing within the company.

The AC, in consultation with the Management, approves the hiring, removal, evaluation and compensation of the internal auditor. The Group outsourced its internal audit function to an external professional firm, Sam & Co.. The internal auditor reports directly to the AC and administratively to the executive Chairman, and has unrestricted access to the documents, records, properties and personnel of the Group. The objective of the internal audit function is to assess the adequacy and effectiveness of the Group's system of internal controls and compliance with the Group's policies and procedures.

REPORT OF CORPORATE GOVERNANCE

During FY2021, Sam & Co. reviewed key internal controls in selected areas as detailed in the internal audit plan submitted to and approved by the AC at the beginning of the financial year. Findings and internal auditor's recommendations on areas for improvement were reported to the AC and for the Management's implementation. No significant control issues were reported by the internal auditor for FY2021.

The AC reviewed the adequacy of the internal audit function annually and is satisfied that the internal audit function is independent, effective, adequately resourced and has appropriate standing within the Group to perform its duties effectively for FY2021.

Provision 10.5 **The AC meets with the external auditors, and with the internal auditors, in each case without the presence of management, at least annually.**

The AC meets with the independent auditor and internal auditor, without the presence of the Management, to review the adequacy of audit arrangements, with emphasis on the scope and quality of their audits, and the independence, objectivity and observations of the independent auditor and the internal auditor.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 **The company provides shareholders with the opportunity to participate effectively in and vote at general meetings of shareholders and informs them of the rules governing general meetings of shareholders.**

All shareholders will receive the Company's annual report and notice of AGM or general meetings and are entitled to attend the general meetings of the Company. They are afforded the opportunity to participate effectively at such meetings and are entitled to vote in accordance with the established voting rules and procedures. The Company conducted poll voting for all resolutions tabled at the general meetings. The rules, including the voting procedures, were clearly explained by the scrutineers at such general meetings.

In line with the safe-distancing measures and regulations imposed by the Singapore Government to curb the further spread of COVID-19, the Company strongly encourages shareholders' participation at the forthcoming AGM for FY2021 which is to be held via electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 ("**Alternative Arrangements Order**").

For the forthcoming AGM, the notice of AGM and the accompanying annual report and proxy form is made available to members solely by electronic means via publication on the Company's website and the SGXNET, pursuant to the Alternative Arrangements Order. Although the AGM will be conducted by electronic means, shareholders may appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at that AGM if such shareholders wish to exercise their voting rights, and may submit their questions relating to the resolutions set out in the notice of the AGM in advance.

The Company has specified in the notice of AGM the detailed information on attending the AGM by electronic means, such as instructions to shareholders on how they may (i) participate to observe and/or listen to the AGM proceedings, (ii) access the annual report and proxy form, (iii) submit their questions in advance of the AGM electronically (e.g. via email) and (iv) vote by appointing the Chairman of the AGM as proxy and indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions.

REPORT OF CORPORATE GOVERNANCE

Provision 11.2 The company tables separate resolutions at general meetings of shareholders on each substantially separate issue unless the issues are interdependent and linked so as to form one significant proposal. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting.

The Company has separate resolutions at general meetings for each distinct issue. This is to ensure that shareholders are given the right to express their views and exercise their voting rights on each resolution separately. Where the resolutions are “bundled”, the reasons and material implications for doing so will be provided in the annual report and related documents/notice of general meeting.

Provision 11.3 All directors attend general meetings of shareholders, and the external auditors are also present to address shareholders’ queries about the conduct of audit and the preparation and content of the auditors’ report. Directors’ attendance at such meetings held during the financial year is disclosed in the company’s annual report.

The Chairman of the Board and of each Board committee is required to be present to address questions at the AGM or, if necessary, any general meetings. The independent auditor will also be present at the AGM to address shareholders’ queries about the conduct of audit and the preparation and content of the auditor’s report. Please refer to Provision 1.5 for details on the Directors’ attendance at general meetings held during FY2021.

Provision 11.4 The company’s constitution (or other constitutive documents) allow for absentia voting at general meetings of shareholders.

The Constitution of the Company allows a shareholder, if he is unable to attend any general meetings, to appoint not more than two proxies to attend and vote on his behalf at the meetings through proxy forms sent in advance. Corporate shareholders of the Company who provide nominee or custodial services are entitled to appoint more than two proxies to attend and vote on their behalf at general meetings provided that each proxy is appointed to exercise the rights attached to a different share or shares held by such corporate shareholders.

In light of the Alternative Arrangements Order, shareholders who wish to vote at the forthcoming AGM for FY2021 must submit a proxy form to appoint the Chairman of the AGM as their proxy and indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions. The detailed information regarding how shareholders may vote by appointing the Chairman of the AGM as proxy and submission of questions has been specified in the notice of AGM.

As the authentication of shareholders’ identity information and other related integrity issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail or electronic means.

Provision 11.5 The company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the board and management.

All minutes of AGM or general meetings that include substantial and relevant comments or queries from the shareholders and responses from the Board and the Management will be published on the SGXNET and/or the Company’s website.

Provision 11.6 The company has a dividend policy and communicates it to shareholders.

The Company does not have a fixed dividend policy. The form, frequency and amount of dividends will depend on the Company’s earnings, general financial condition, results of operations, capital requirement, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate. No dividend was paid or proposed for FY2021 as the Group is conserving cash for business growth and opportunities.

REPORT OF CORPORATE GOVERNANCE

Engagement with Shareholders

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provision 12.1 The company provides avenues for communication between the board and all shareholders, and discloses in its annual report the steps taken to solicit and understand the views of shareholders.

The Company is committed to maintaining and improving its level of corporate transparency of financial results and other pertinent information. In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual and the Companies Act, it is the Board's policy to ensure that all shareholders are informed on a timely basis of every significant development that has an impact on the Group via the SGXNET and the Company's website.

The Company does not practise selective disclosure of material information. Results and annual reports are announced or issued within the mandatory period.

Provision 12.2 The company has in place an investor relations policy which allows for an ongoing exchange of views so as to actively engage and promote regular, effective and fair communication with shareholders.

Provision 12.3 The company's investor relations policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions.

The Company does not have an investor relations policy in place and there is no dedicated investor relations team in place as the Board is of the view that the current communication channels are sufficient and cost-effective.

The Company conducts its investor relations on the following principles:

- (a) Information deemed to be price-sensitive is disseminated without delay via announcements on the SGXNET;
- (b) Endeavour to provide comprehensive information in financial results announcements to help shareholders and potential investors make informed decisions; and
- (c) Operate an open policy with regard to investors' enquiries.

The Company provides its phone number and e-mail address on the Company's website through which the shareholders may contact the Company with questions and the Company may respond to such questions.

REPORT OF CORPORATE GOVERNANCE

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13: The board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provision 13.1 The company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups.

The Company recognises the importance of close collaboration with its key stakeholders such as employees, investors and media, suppliers and service providers, and customers, in order to achieve sustainable business goals. The Company has in place a process to identify its various stakeholders and understand their viewpoints as well as actively communicate with them to align the Company's expectation and goals. The executive Chairman and independent Directors meet and speak with shareholders at general meetings to gather their views and address concerns.

Provision 13.2 The company discloses in its annual report its strategy and key areas of focus in relation to the management of stakeholder relationships during the reporting period.

The Group engages with the key stakeholders through various platforms. Details of the stakeholders engaged by the Group, areas of focus, approaches to stakeholder, including frequency of engagement by type and by stakeholder group, and key feedback or issues that have been raised through stakeholder engagement can be found in the Company's Sustainability Report 2021.

Provision 13.3 The company maintains a current corporate website to communicate and engage with stakeholders.

The Company maintains its corporate website (<http://www.etravelite.com/>) providing information about the Company such as the Board and the Management, products and services, as well as all disclosures and announcements of the Company submitted via the SGXNET. Stakeholders can also contact the Company through phone or email, the details of which can be found on the Company's website.

ADDITIONAL INFORMATION

Dealing in Securities

The Company has adopted policies in line with the requirements of the Listing Manual on dealings in the Company's securities.

The Company and its Directors and officers are prohibited from dealing in the Company's shares on short-term considerations or when they are in possession of unpublished price-sensitive information. They are not allowed to deal in the Company's shares during the period commencing one month before the date of the announcement of the full-year or half-year results and ending on the date of the announcement of the relevant results.

In addition, Directors and key executives are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period.

Interested Person Transaction

The Company has adopted an internal policy in respect of any transaction with an interested person, which sets out the procedures for review and approval of such transaction.

All interested person transactions will be documented and submitted periodically to the AC for their review to ensure that such transactions are carried out on an arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its non-controlling shareholders.

REPORT OF CORPORATE GOVERNANCE

The Company did not enter into interested person transactions which are required for disclosure pursuant to Rule 1207(17) of the Listing Manual during FY2021.

Material Contracts and Loans

Pursuant to Rule 1207(8) of the Listing Manual, the Company confirms that except as disclosed in the "Statement by Directors" section of this Annual Report and the audited financial statements of the Group for FY2021, there were no material contracts and loans of the Company and its subsidiaries involving the interests of the executive Chairman or any Director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, which were entered into since the end of the previous financial year.

Information on Directors Seeking Re-election

Mr Thang Teck Jong and Mr Foong Daw Ching are the Directors seeking re-election at the forthcoming AGM of the Company. Pursuant to Rule 720(6) of the Listing Manual, the information relating to Mr Thang Teck Jong and Mr Foong Daw Ching in accordance with Appendix 7.4.1 of the Listing Manual is set out below:

	THANG TECK JONG	FOONG DAW CHING
Date of appointment	12 August 2005	15 February 2007
Date of last re-appointment	27 July 2018	25 September 2020
Age	60	70
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board, having considered the recommendation of the NC and assessed Mr Thang and Mr Foong's overall contributions and performance, is of the view that they are suitable for re-appointment as executive Chairman and independent Director respectively of the Company.	
Whether appointment is executive, and if so, the area of responsibility	Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman, and member of AC, NC and RC	Lead Independent Director, chairman of AC, and member of NC and RC
Professional qualifications	<ul style="list-style-type: none"> - Master's Degree of Business Administration (EMBA), University of Hull, England 	<ul style="list-style-type: none"> - Institute of Chartered Accountants in England and Wales - The Institute of Singapore Chartered Accountants - Certified Practising Accountants (CPA) Australia - Malaysian Institute of Accountants
Working experience and occupation(s) during the past 10 years	As set out in Mr Thang's profile write-up at page 07 of this Annual Report.	As set out in Mr Foong's profile write-up at page 07 of this Annual Report.
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest: 17,360,385 ordinary shares Deemed Interest: 10,276,600 ordinary shares	Nil

REPORT OF CORPORATE GOVERNANCE

	THANG TECK JONG	FOONG DAW CHING
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	<p>Mr Thang is a controlling shareholder of the Company.</p> <p>Ms Kong Ling Ting @ Kang Ling Ting, the Human Resource and Administration Director of the Group, and a substantial shareholder of the Company, is the spouse of Mr Thang Teck Jong. She is also a director of Demarco Pte Ltd, SYI Co (Pte) Ltd and JIT Distribution Pte. Ltd. which are wholly-owned subsidiaries of the Company.</p> <p>Mr Hoe Kee Kok, a director of Demarco Pte Ltd, SYI Co (Pte) Ltd and JIT Distribution Pte. Ltd. which are wholly-owned subsidiaries of the Company, is the brother of Mr Thang Teck Jong.</p>	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other principal commitments including directorships	<p><u>Past (for the last 5 years)</u> Directorships: Nil</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u> Directorships: Singapore Crocodile (1968) Pte Ltd YG Marketing Pte. Ltd. Golden Glory Food Industries Pte Ltd Mengkim Holdings Pte Ltd 3BX Pte Ltd</p> <p>Other Principal Commitments: Nil</p>	<p><u>Past (for the last 5 years)</u> Directorships: – Baker Tilly International Limited (UK) – National University Health Services Group Pte. Ltd. (formerly known as Jurong Health Services Pte. Ltd.) – NUH Health Research Endowment Fund Board – NUHS Fund Limited</p> <p>Other Principal Commitments: Nil</p> <p><u>Present</u> Directorships: – Church of Singapore – ayondo Ltd. – Luminor Financial Holdings Limited (formerly known as Starland Holdings Limited) – Suntar Eco-City Limited – St Luke’s Hospital – St Luke’s Eldercare Ltd</p> <p>Other Principal Commitments: – Tung Ling Student Care Centre (President) – Tung Ling Community Services (President)</p>

REPORT OF CORPORATE GOVERNANCE

	THANG TECK JONG	FOONG DAW CHING
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

REPORT OF CORPORATE GOVERNANCE

	THANG TECK JONG	FOONG DAW CHING
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

REPORT OF CORPORATE GOVERNANCE

	THANG TECK JONG	FOONG DAW CHING
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:		Please refer to paragraph (k) below for further details.
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,	No	No
in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?		

REPORT OF CORPORATE GOVERNANCE

	THANG TECK JONG	FOONG DAW CHING
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	<p>In September 2009, Mr Thang received a supervisory warning from the Monetary Authority of Singapore ("MAS") for a breach of Section 137 of the Securities and Futures Act, Chapter 289 in connection with his failure to make timely disclosure of a change in his interest in the voting shares of the Company within two business days of such change.</p> <p>MAS issued the supervisory warning to Mr Thang to comply with the applicable laws and regulatory requirements at all times, and there was no further regulatory action in this regard.</p>	<p>Mr Foong is an independent director of ayondo Ltd. ayondo Ltd. and some of its existing and former directors including Mr Foong received a private show-cause letter (the "Letter") from the Singapore Exchange Regulation to make representations for potential breaches of the listing rules of the SGX-ST. As at the date of this Annual Report, there is no outcome on this matter.</p> <p>In September 2020, Mr Foong in the capacity as an independent director of ayondo Ltd. attended an interview conducted by the Market Conduct Investigations (Enforcement Department) of MAS in conjunction with the Commercial Affairs Department in relation to an investigation into a possible offence under the Securities and Futures Act, Chapter 289. There were no restrictions or conditions imposed on Mr Foong and no travel documents were required to be retained, and he has not attended any further interviews. As at the date of this Annual Report, there is no outcome on this matter.</p> <p>With reference to the guidance provided in Practice Note 7.1 of the Listing Manual, the Board and NC have assessed the matter and are of the view that Mr Foong remains suitable as a Director of the Company despite the receipt of the Letter and the investigation.</p> <p>The Board and NC will continue to monitor the progress of the aforesaid matters as informed by Mr Foong, in evaluating his continued suitability as an independent Director of the Company and compliance with the continuing listing rules.</p>

STATEMENT BY DIRECTORS

The directors of the company are pleased to present the accompanying financial statements of the company and of the group for the reporting year ended 31 March 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the company and, of the financial position and performance of the group for the reporting year covered by the financial statements or consolidated financial statements; and
- (b) at the date of the statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. DIRECTORS

The directors of the company in office at the date of this statement are:

Thang Teck Jong
Foong Daw Ching
Dr Clemen Chiang Wen Yuan

3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the company holding office at the end of the reporting year had no interests in shares or debentures of the company or other related body corporate as recorded in the register of directors' shareholdings kept by the company under section 164 of the Companies Act, Chapter 50 ("the Act") except as follows:

Name of directors and companies in which interest are held	Direct interest		Deemed interest	
	At beginning of the reporting year	At end of the reporting year	At beginning of the reporting year	At end of the reporting year
Travelite Holdings Ltd.	Number of shares of no par value			
Thang Teck Jong	17,360,385	17,360,385	9,653,400	10,276,600

By virtue of section 7 of the Act, Mr Thang Teck Jong is deemed to have an interest in the company and all the related corporates of the company.

The directors' interests as at 21 April 2021 were the same as those at the end of the reporting year.

4. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the company is a party, being arrangements whose objects are, or one of whose objects is, to enable directors of the company to acquire benefits by means of the acquisition of shares in or debentures of the company or any other body corporate.

STATEMENT BY DIRECTORS

5. OPTIONS

During the reporting year, no option to take up unissued shares of the company or other body corporate in the group was granted.

During the reporting year, there were no shares of the company or other body corporate in the group issued by virtue of the exercise of an option to take up unissued shares.

At the end of the reporting year, there were no unissued shares of the company or other body corporate in the group under option.

6. REPORT OF AUDIT COMMITTEE

The members of the audit committee at the date of this report are as follows:

Foong Daw Ching	(Chairman of Audit Committee and Lead Independent Director)
Dr Clemen Chiang Wen Yuan	(Independent Director)
Thang Teck Jong	(Executive Chairman)

The audit committee performs the functions specified by section 201B(5) of the Act. Among other functions, it performed the following:

- Reviewed with the independent external auditors their audit plan;
- Reviewed with the independent external auditors their evaluation of the company's internal accounting controls relevant to their statutory audit, and their report on the financial statements and the assistance given by the management to them;
- Reviewed with the internal auditors the scope and results of the internal audit procedures (including those relating to financial, operational and compliance controls and risk management) and the assistance given by the management to the internal auditors;
- Reviewed the financial statements of the group and the company prior to their submission to the directors of the company for adoption; and
- Reviewed the interested person transactions (as defined in Chapter 9 of the Singapore Exchange Securities Trading Limited's Listing Manual).

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditors provide non-audit services.

The audit committee has recommended to the board of directors that the independent auditors, RSM Chio Lim LLP, be nominated for re-appointment as independent auditors at the next annual general meeting of the company.

7. INDEPENDENT AUDITOR

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

8. DIRECTORS' OPINION ON THE ADEQUACY OF INTERNAL CONTROLS

Based on the internal controls established and maintained by the company, work performed by the internal and external auditors, and reviews performed by management, other committees of the board and the board, the audit committee and the board are of the opinion that the company's internal controls, addressing financial, operational and compliance risks, are adequate as at the end of the reporting year 31 March 2021.

STATEMENT BY DIRECTORS

9. SUBSEQUENT DEVELOPMENTS

There are no significant developments subsequent to the release of the group's and the company's preliminary financial statements, as announced on 28 May 2021, which would materially affect the group's and the company's operating and financial performance as of the date of this report.

On behalf of the directors

Thang Teck Jong
Director

Foong Daw Ching
Director

12 July 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of Travelite Holdings Ltd. (the "company") and its subsidiaries (the "group"), which comprise the consolidated statement of financial position of the group and the statement of financial position of the company as at 31 March 2021, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the group, and statement of changes in equity of the company for the reporting year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group and the statement of financial position and statement of changes in equity of the company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and the Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the group and the changes in equity of the company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current reporting year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on those matters.

(a) Trade receivables – expected credit loss allowance

Refer to Note 2A "Financial instruments" and Note 2C "Expected credit loss allowance on trade receivables" to the financial statements for the relevant accounting policies and disclosure of significant accounting estimates, and Notes 19 and 34D for the breakdown of trade receivables and credit risk of the group respectively.

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 (2020: \$4,728,000).

The allowance for impairment of trade receivables is estimated by management through the application of judgement and subjective assumption. The estimate of impairment loss allowance is based on the historical trend of these receivables, which includes analysis of the age of these receivables, creditworthiness of the profile of the customers and future collectability. Management monitors the operation performance and cash flow of a major customer by having regular discussion with customer's management. The group holds collateral of the major customer's properties. A significant customer signed a letter of undertaking creating a floating charge over certain assets of the customer. Subsequent to the end of the reporting year, the customer has also signed a deed of fiduciary security to assign 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 and has filed the register of the deed of fiduciary security with the relevant Fiduciary Security Office in Indonesia.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD.

Key audit matters (cont'd)

(a) Trade receivables – expected credit loss allowance (cont'd)

The gross amount of trade receivables past due over 90 days amounted to \$8,227,000 (2020: \$9,234,000). The amount of allowance for impairment loss on these customers is \$4,894,000 (2020: \$4,728,000). Management is of the view that the remaining amounts are recoverable based on their knowledge of the customers' payment history and creditworthiness.

Management has analysed the historical observed default rates and there were no significant bad debts noted in the previous years. As such, management is of the view that it is appropriate for specific provisioning to be utilised.

How we addressed the matter in our audit

We evaluated management's judgment on the recoverability of these amounts via our review of the customers' creditworthiness, payment history and management's assessment of expected credit losses. We have also reviewed management's process over the recoverability of outstanding trade receivables, including collaterals provided by the customer, payments made by customers during the year and subsequent to the reporting year end. We also obtained a legal confirmation from a lawyer who confirmed that the deed of fiduciary security has been registered with the Office of Fiduciary Security and a Certificate of Fiduciary Security has been issued in favour of a subsidiary of the group.

We reviewed management's assessment of the historical observed default rate based on the different profile of the customers. In addition, we have also assessed the adequacy of the loss allowance recorded as at end of the reporting year and the disclosures made in the financial statements.

(b) Inventories – allowance on inventories

Refer to Note 2A "Inventories" and Note 2C "Allowance on inventories" to the financial statements for the relevant accounting policies and disclosure of significant accounting estimates and Note 18 on the inventories respectively.

Inventories amounted to \$12,098,000 (2020: \$15,418,000), representing 20% (2020: 25%) of the group's total assets, as at the reporting year end. The estimate of allowance for slow moving inventories involves a significant degree of judgement. Management determines the allowance for inventory obsolescence and net realisable value by taking into consideration various factors, including macroeconomics, general market conditions, future market demands, physical deterioration and travel restrictions. We focused on this area because the determination of allowance for inventory obsolescence involves a high level of judgement and is subject to uncertainty due to the challenging market conditions amid COVID-19 pandemic.

How we addressed the matter in our audit

We have reviewed the group's policy on allowance for slow moving inventories and performed procedures to understand management's methodology and process for assessing the allowance for slow moving inventories.

We have evaluated the appropriateness of the inventory impairment allowance via our review of the historical inventories movements and historical net realisable value of the inventories.

We have evaluated the accuracy of the group's inventory ageing by verifying on a sample basis that inventory items were categorised appropriately in the relevant ageing band based on the purchase date of the inventories.

We have also compared the net realisable value of a sample of inventories to subsequent selling prices and assessed the adequacy of disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD.

Other information

Management is responsible for the other information. The other information comprises the statement by directors and the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TRAVELITE HOLDINGS LTD.

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tay Hui Jun, Sabrina.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

12 July 2021
Engagement partner – effective from year ended 31 March 2017

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

YEAR ENDED 31 MARCH 2021

	Notes	Group	
		2021 \$'000	2020 \$'000
Revenue			
Cost of sales	5	18,040 (9,724)	42,571 (24,370)
Gross profit		8,316	18,201
Interest income		–	264
Other gains	6	5,741	361
Marketing and distribution costs		(7,531)	(13,697)
Administrative expenses		(4,034)	(4,934)
Finance costs	7	(870)	(1,125)
Other losses	6	(2,700)	(4,978)
Share of (loss)/profit from equity-accounted associate		(26)	13
Loss before tax from continuing operations		(1,104)	(5,895)
Income tax expense	9	(262)	(303)
Loss from continuing operations, net of tax		(1,366)	(6,198)
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax	23A	35	(6)
Other comprehensive income/(loss) for the year, net of tax		35	(6)
Total comprehensive loss		(1,331)	(6,204)
Loss attributable to owners of the parent, net of tax		(1,841)	(6,111)
Profit/(loss) attributable to non-controlling interests, net of tax		475	(87)
Loss net of tax		(1,366)	(6,198)
Total comprehensive loss attributable to owners of the parent		(1,806)	(6,117)
Total comprehensive income/(loss) attributable to non-controlling interests		475	(87)
Total comprehensive loss		(1,331)	(6,204)
Loss per share		Cents	Cents
Basic – continuing operations	10	(2.92)	(9.68)
Diluted – continuing operations	10	(2.92)	(9.68)

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 31 MARCH 2021

	Notes	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	19,509	20,614	18,494	19,192
Right-of-use assets	12	10,080	9,719	7,896	8,120
Intangible assets	15	173	208	–	–
Investment in subsidiaries	16	–	–	12,734	12,734
Investment in associates	17	213	239	–	–
Deferred tax assets	9	19	34	–	–
Other receivables	19	2	3	–	–
Total non-current assets		29,996	30,817	39,124	40,046
Current assets					
Property held for sale	14	–	1,742	–	–
Inventories	18	12,098	15,418	–	–
Trade and other receivables	19	7,283	8,281	3,683	3,463
Other non-financial assets	20	245	415	19	23
Cash and cash equivalents	21	9,768	5,493	413	141
Total current assets		29,394	31,349	4,115	3,627
Total assets		59,390	62,166	43,239	43,673
EQUITY AND LIABILITIES					
Equity attributable to owners of the parent					
Share capital	22	21,831	21,831	21,831	21,831
Treasury shares	22	(2)	(2)	(2)	(2)
Accumulated losses		(5,268)	(3,593)	(7,631)	(5,584)
Other reserves	23	203	334	–	(82)
Equity, attributable to owners of the parent, total		16,764	18,570	14,198	16,163
Non-controlling interests		3,955	3,480	–	–
Total equity		20,719	22,050	14,198	16,163
Non-current liabilities					
Provisions	24	143	195	–	–
Deferred tax liabilities	9	122	159	41	65
Lease liabilities	26	9,150	8,781	8,020	8,176
Other financial liabilities	27	16,551	10,072	9,076	10,072
Total non-current liabilities		25,966	19,207	17,137	18,313
Current liabilities					
Income tax payable		216	225	79	50
Trade and other payables	25	3,209	4,283	5,957	777
Lease liabilities	26	1,272	1,226	157	152
Other financial liabilities	27	7,254	14,571	5,541	8,178
Derivative financial instruments	28	155	–	155	–
Deferred grant income	29	599	604	15	40
Total current liabilities		12,705	20,909	11,904	9,197
Total liabilities		38,671	40,116	29,041	27,510
Total equity and liabilities		59,390	62,166	43,239	43,673

The accompanying notes form an integral part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED 31 MARCH 2021

Group	Total equity \$'000	Attributable to parent sub-total \$'000	Share capital \$'000	Accumulated losses \$'000	Treasury shares \$'000	Other reserves \$'000	Non- controlling interests \$'000
Current year:							
Opening balance at 1 April 2020	22,050	18,570	21,831	(3,593)	(2)	334	3,480
Changes in equity:							
Total comprehensive (loss)/income for the year	(1,331)	(1,806)	–	(1,841)	–	35	475
Transfer from other reserves to accumulated losses	–	–	–	166	–	(166)	–
Closing balance at 31 March 2021	20,719	16,764	21,831	(5,268)	(2)	203	3,955
Previous year:							
Opening balance at 1 April 2019	28,254	24,687	21,831	2,518	(2)	340	3,567
Changes in equity:							
Total comprehensive loss for the year	(6,204)	(6,117)	–	(6,111)	–	(6)	(87)
Closing balance at 31 March 2020	22,050	18,570	21,831	(3,593)	(2)	334	3,480
Company	Total equity \$'000	Share capital \$'000	Accumulated losses \$'000	Treasury shares \$'000	Other reserves \$'000		
Current year:							
Opening balance at 1 April 2020	16,163	21,831	(5,584)	(2)	(82)		
Changes in equity:							
Total comprehensive loss for the year	(1,965)	–	(1,965)	–	–		
Transfer from other reserves to accumulated losses	–	–	(82)	–	82		
Closing balance at 31 March 2021	14,198	21,831	(7,631)	(2)	–		
Previous year:							
Opening balance at 1 April 2019	16,556	21,831	(5,191)	(2)	(82)		
Changes in equity:							
Total comprehensive loss for the year	(393)	–	(393)	–	–		
Closing balance at 31 March 2020	16,163	21,831	(5,584)	(2)	(82)		

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED 31 MARCH 2021

	Group	
	2021 \$'000	2020 \$'000
Cash flows from operating activities		
Loss before tax	(1,104)	(5,895)
Adjustments for:		
Interest income	–	(264)
Interest expense	870	1,125
Share of the loss/(profit) of equity-accounted associate	26	(13)
Depreciation of property, plant and equipment	1,213	1,368
Depreciation of property held for sale	–	161
Depreciation of right-of-use assets	1,478	1,529
Amortisation of other intangible assets	35	34
Allowance of impairment for trade and other receivables	233	4,447
Plant and equipment written off	24	27
(Reversal)/impairment of plant and equipment	(41)	86
Impairment of goodwill	–	8
Loss/(gain) on disposal of plant and equipment	45	(104)
Gain on disposal of property held for sale	(2,158)	–
Provisions made	–	53
Operating cash flows before changes in working capital	621	2,562
Inventories	3,320	(2,940)
Trade and other receivables	562	225
Other non-financial assets	170	208
Trade and other payables	(880)	(1,605)
Fair value loss on derivative financial instruments	155	–
Deferred grant income	5	(604)
Provisions	(52)	(18)
Net cash flows from/(used in) operations before tax	3,901	(2,172)
Income tax paid	(293)	(314)
Net cash flows from/(used in) operating activities	3,608	(2,486)
Cash flows from investing activities		
Disposal of plant and equipment	–	241
Purchase of property, plant and equipment (Notes 11 and 21B)	(138)	(605)
Increase in investment in associate	–	(57)
Acquisition of subsidiary (net of cash acquired)	–	182
Disposal of property held for sale	3,900	–
Cash restricted in use	100	350
Interest received	–	264
Net cash flows from investing activities	3,862	375
Cash flows from financing activities		
Lease liabilities – principal portion paid	(1,424)	(1,475)
Lease liabilities – interest paid	(305)	(350)
Increase in new borrowings	8,500	200
(Decrease)/increase in other financial liabilities	(8,943)	11
Interest paid	(565)	(775)
Net cash flows used in financing activities	(2,737)	(2,389)
Net increase/(decrease) in cash and cash equivalents	4,733	(4,500)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	4,998	9,474
Net effect of exchange rate changes on cash and cash equivalents	37	24
Cash and cash equivalents, consolidated statement of cash flows, ending balance (Note 21A)	9,768	4,998

The accompanying notes from an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

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 board of directors approved and authorised these financial statements for issue on the date of the statements of directors. The directors have the power to amend and reissue the financial statements.

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 subsidiaries and associates are described in Notes 16 and 17 to the financial statements.

The registered office is 53 Ubi Avenue 3 Travelite Building, Singapore 408863. The company is situated in Singapore.

The COVID-19 pandemic

The COVID-19 pandemic and the aftermath of the pandemic has caused and continues to cause disruptions resulting in uncertainties surrounding the reporting group's business, including affecting its relationships with its existing and future customers, suppliers and employees, and which had and will continue to have an adverse effect on its financial position, financial performance of operations, cash flows and prospects for the foreseeable future. There is significant uncertainty around the medium to long term impact of the COVID-19 pandemic. Other entities are also evolving and assets held by them may have material uncertainties regarding the impact of COVID-19. These uncertainties gave rise to difficulties in making an accurate assessment by management of the future financial impacts on the group. Management will continue to closely monitor the further economic development and its impact. It is however reasonably probable that the COVID-19 pandemic will have an adverse impact on group's revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("SFRS (I)s") and the related Interpretations to SFRS (I) ("SFRS (I) INT") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50 and with the International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Group's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at Note 2C, where applicable.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

1. GENERAL (CONT'D)

Basis of presentation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the company and all of its subsidiaries. The consolidated financial statements are the financial statements of the group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee and cease when the reporting entity loses control of the investee.

Changes in the group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the group loses control of a subsidiary, it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act, Chapter 50, the company's separate statement of profit or loss and other comprehensive income is not presented.

The equity accounting method is used for associates and joint venture company in the group financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Sale of goods – Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

The revenue from royalties is recognised at the later of: when the subsequent sales or usage occurs; or the satisfaction or partial satisfaction of the performance obligation to which some or all of the sales-based or usage-based royalty has been allocated. No amount is recognised for any revenue for the variable amounts related to a royalty until the uncertainty is resolved, that is when a customer's subsequent sales or usage occurs.

Rental income is recognised from operating leases as income on either a straight-line basis or another systematic basis which is used if that basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Other income

Interest income is recognised using the effective interest method.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised. The grant related to assets is deducted in calculating the carrying amount of the asset and therefore the grant is recognised in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the borrowing and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Translation of financial statements of other entities

Each entity in the group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the consolidated financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting profit or loss and other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Income tax

The income taxes are accounted for using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority.

The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries and associate except where the company is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold property	–	Over the terms of lease at 2.5%
Equipment and leasehold improvements	–	20% to 33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 24 on non-current provisions.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of depreciation are as follows:

- Leasehold land and building – Over the terms of lease that is 2.6%
- Retail outlets – Over the terms of lease that are from 38% to 59%

Investment property

Investment property is property (land or a building or part of a building or both) held (by the owner or by the lessee as a right-of-use asset under a finance lease) to earn rentals or for capital appreciation or both, rather than for: (a) use in the production or supply of goods or services or for administrative purposes; or (b) sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes only, the fair values are measured periodically on a systematic basis at least once yearly by external independent professional valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued. The annual rate of depreciation is over the terms of lease at 2.6%.

Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight-line basis over the remaining lease term.

Leases of lessor

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less any accumulated amortisation and any accumulated impairment losses. An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

- Licensed brands – Over the remaining terms of licenses that are from 1 to 10 years
- Trademarks – Over the remaining useful lives of 14 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

Subsidiaries

A subsidiary is an entity including unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity.

In the reporting entity's separate financial statements, an investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

Associates

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations. However the entire carrying amount of the investment is tested under the financial reporting standard on impairment, by comparing its recoverable amount (higher of value in use and fair value) with its carrying amount, whenever application of the requirements in the financial reporting standard on financial instruments indicates that the investment may be impaired.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Associates (cont'd)

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Losses of an associate in excess of the reporting entity's interest in the relevant associate are not recognised except to the extent that the reporting entity has an obligation. Profits and losses resulting from transactions between the reporting entity and an associate are recognised in the financial statements only to the extent of unrelated reporting entity's interests in the associate. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity. The reporting entity discontinues the use of the equity method from the date that when its investment ceases to be an associate and accounts for the investment in accordance with the financial reporting standard on financial instruments from that date. Any gain or loss is recognised in profit or loss. Any investment retained in the former associate is measured at fair value at the date that it ceases to be an associate.

In the company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

Derivative financial instruments

A derivative financial instrument is a financial instrument with all three of the following characteristics: (a) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices, credit ratings or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract; (b) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and (c) it is settled at a future date. The derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently classified as measured at FVTPL unless the derivative is designated and effective as a hedging instrument.

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Business combinations

There is no significant business combinations during the reporting year.

Non-controlling interests

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Where the non-controlling interest is measured at fair value, the valuation techniques and key model inputs used are disclosed in the relevant note. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Goodwill

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Goodwill (cont'd)

After initial recognition, goodwill acquired in a business combination is measured at cost less any accumulated impairment losses. Goodwill is not amortised. Irrespective of whether there is any indication of impairment, goodwill (and also an intangible asset with an indefinite useful life or an intangible asset not yet available for use) are tested for impairment, at least annually. Goodwill impairment is not reversed in any circumstances.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, or groups of cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represent the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the consolidated statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2B. Other explanatory information

Segment reporting

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. Generally, financial information is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments.

Assets classified as held for sale

Identifiable assets and liabilities and any disposal groups are classified as held for sale if their carrying amount is to be recovered principally through a sale transaction rather than through continuing use. The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, except as permitted by the financial reporting standard on non-current assets held for sale and discontinued operations under certain circumstances. It can include a subsidiary acquired exclusively with a view to resale. Assets that meet the criteria to be classified as held for sale are measured at the lower of carrying amount and fair value less costs of disposal and are presented separately on the face of the statement of financial position. Once an asset is classified as held for sale or included in a group of assets held for sale no further depreciation or amortisation is recorded. Impairment losses on initial classification of the balances as held for sale are included in profit or loss, even when there is a revaluation. The same applies to gains and losses on subsequent remeasurement.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Treasury shares

Where the entity reacquires its own equity instruments as treasury shares, the consideration paid, including any directly attributable incremental cost is deducted from equity attributable to the entity's owners until the shares are cancelled, reissued or disposed of. Where such shares are subsequently sold or reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the entity's owners and no gain or loss is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. 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.

COVID-19 pandemic and the aftermath:

An assessment was made by management whether for the current reporting year there were any indications that these assets and liabilities may be impacted adversely. If any such indication of uncertainties existed, an estimate was made of the realisable amount and or fair value of the relevant assets and the completeness of the liabilities (which balances are more fully disclosed in the relevant notes to these financial statements). It is reasonably possible, based on existing knowledge that outcomes within the next reporting year are likely to be different from the current assumptions as the anticipated events frequently do not occur as expected and the variation may be material and could require material adjustments to the carrying amounts of the balances affected.

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 (or class of assets) at the end of the reporting year affected by the assumption are \$1,752,000 and \$738,000 for the group and company respectively.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

2. SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION (CONT'D)

2C. Critical judgments, assumptions and estimation uncertainties (cont'd)

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 are \$29,589,000 and \$26,390,000 for the group and company respectively.

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

The financial reporting standard on 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 related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

Group	Other related parties	
	2021 \$'000	2020 \$'000
Administrative income ^(a)	(61)	(66)
Service income ^(b)	(5)	(12)
Royalty expense ^(c)	147	177

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

(b) The related party, Mengkim Holdings Pte Ltd, and the company have a common controlling party.

(c) The related party, Crocodile International Pte Ltd, is controlled by a shareholder of a subsidiary who has significant influence.

Group	Associate	
	2021 \$'000	2020 \$'000
Rental income	(154)	(303)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3B. Key management compensation:

	Group	
	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits	696	1,073

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	Group	
	2021 \$'000	2020 \$'000
Remuneration of directors of the company	220	385
Fees to directors of the company	65	40

Further information about the remuneration of individual directors is provided in the report on corporate governance.

Key management persons are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

The above amounts for key management compensation are for all the directors and other key management personnel. The amounts also include fees paid to directors for services rendered in their capacity as directors.

3C. Other receivables from and other payables to related parties:

The trade transactions and trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

Group	Related parties	
	2021 \$'000	2020 \$'000
<u>Other receivables/(other payables):</u>		
Balance at beginning of the year	18	111
Amounts paid out and settlement of liabilities on behalf of related parties	109	345
Amounts paid in and settlement of liabilities on behalf of the group	(135)	(511)
Reversal of impairment loss	–	73
Balance at end of the year	(8)	18
Presented as:		
Other receivables (Note 19)	28	24
Other payables (Note 25)	(36)	(6)
Net total	(8)	18

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

3. RELATED PARTY RELATIONSHIPS AND TRANSACTIONS (CONT'D)

3C. Other receivables from and other payables to related parties: (cont'd)

Group	Director	
	2021 \$'000	2020 \$'000
<u>Other payables:</u>		
Balance at beginning of the year	(400)	–
Amounts paid in and settlement of liabilities on behalf of the group	–	(400)
Amounts paid out and settlement of liabilities on behalf of the group	400	–
Balance at end of the year (Note 25)	–	(400)
<hr/>		
Company	Subsidiaries	
	2021 \$'000	2020 \$'000
<u>Other receivables/(other payables):</u>		
Balance at beginning of the year	443	219
Amounts paid out and settlement of liabilities on behalf of subsidiaries	1,003	855
Amounts paid in and settlement of liabilities on behalf of the company	(5,235)	(569)
Foreign exchange adjustments	(18)	(67)
(Allowance)/reversal of impairment loss	(1,168)	5
Balance at end of the year	(4,975)	443
<hr/>		
Presented as:		
Other receivables (Note 19)	251	540
Other payables (Note 25)	(5,226)	(97)
Net total	(4,975)	443

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS

4A. Information about reportable segment profit or loss, assets or 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.

- Departmental stores – This segment includes major departmental store operators in Singapore and Malaysia;
- Specialty stores – This segment includes shops operated by the group and sells mainly the group's merchandise;
- Third party retailers – This segment includes independent retailers;

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4A. Information about reportable segment profit or loss, assets or liabilities (cont'd)

- (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.

The following tables illustrate the information about the reportable segment profit or loss, assets and liabilities.

The information on each product and service or each group of similar products and services is below and in Note 5.

4B. Profit or loss from continuing operations and reconciliations

	Departmental stores \$'000	Specialty stores \$'000	Third party retailers \$'000	Wholesale distribution \$'000	Gifts & corporate sales \$'000	Group total \$'000
Continuing Operations						
2021						
Revenue	11,770	2,416	1,539	1,661	654	18,040
Operating (loss)/profit	(1,407)	(994)	43	(269)	(417)	(3,044)
Share of loss of associate	(26)	–	–	–	–	(26)
	(1,433)	(994)	43	(269)	(417)	(3,070)
Other gains						5,702
Other losses						(2,662)
Finance costs						(870)
Unallocated operating expenses						(204)
Income tax expense						(262)
Loss from continuing operations, net of tax						(1,366)

NOTES TO THE FINANCIAL STATEMENTS

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4B. Profit or loss from continuing operations and reconciliations (cont'd)

	Departmental stores \$'000	Specialty stores \$'000	Third party retailers \$'000	Wholesale distribution \$'000	Gifts & corporate sales \$'000	Group total \$'000
Continuing Operations						
2020						
Revenue	24,782	7,792	1,834	7,092	1,071	42,571
Operating profit/(loss)	2,575	(20)	215	(4,410)	139	(1,501)
Share of profit of associate	13	–	–	–	–	13
	2,588	(20)	215	(4,410)	139	(1,488)
Interest income						24
Other gains						361
Other losses						(719)
Finance costs						(1,125)
Unallocated operating expenses						(2,948)
Income tax income						(303)
Loss from continuing operations, net of tax						(6,198)

4C. Assets and reconciliations

	Departmental stores \$'000	Specialty stores \$'000	Third party retailers \$'000	Wholesale distribution \$'000	Gifts & corporate sales \$'000	Unallocated \$'000	Group total \$'000
2021							
Total assets for reportable segments	4,740	1,043	525	4,585	17	–	10,910
Unallocated assets:							
Property, plant and equipment	–	–	–	–	–	19,101	19,101
Right-of-use assets	–	–	–	–	–	10,080	10,080
Inventories	–	–	–	–	–	8,372	8,372
Cash and cash equivalents	–	–	–	–	–	9,768	9,768
Other unallocated assets	–	–	–	–	–	1,261	1,261
Total group assets	4,740	1,043	525	4,585	17	48,582	59,492
2020							
Total assets for reportable segments	4,984	1,293	544	5,670	49	–	12,540
Unallocated assets:							
Property, plant and equipment	–	–	–	–	–	19,989	19,989
Right-of-use assets	–	–	–	–	–	9,719	9,719
Asset held for sale	–	–	–	–	–	1,742	1,742
Inventories	–	–	–	–	–	11,014	11,014
Cash and cash equivalents	–	–	–	–	–	5,493	5,493
Other unallocated assets	–	–	–	–	–	1,669	1,669
Total group assets	4,984	1,293	544	5,670	49	49,626	62,166

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4D. Liabilities and reconciliations

	2021	2020
	\$'000	\$'000
Unallocated liabilities:		
Trade and other payables	3,209	4,283
Other financial liabilities	34,382	34,650
Other liabilities	1,182	1,183
Total group liabilities	38,773	40,116

4E. Other material items and reconciliations

	Departmental	Specialty	Third party	Wholesale	Unallocated	Group
	stores	stores	retailers	distribution	\$'000	total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2021						
Capital expenditure	35	–	–	–	103	138
Significant non-cash items:						
Depreciation of property, plant and equipment and right-of-use assets	126	46	21	–	2,498	2,691
Plant and equipment written off	–	15	–	–	9	24
Reversal of impairment of property, plant and equipment	–	–	–	–	(41)	(41)
Allowance for impairment on trade receivables	–	–	–	–	233	233
Amortisation of other intangible assets	–	–	–	–	35	35
2020						
Capital expenditure	304	1	–	–	430	735
Significant non-cash items:						
Depreciation of property, plant and equipment and investment property and right-of-use assets	149	177	21	–	2,711	3,058
Plant and equipment written off	3	1	21	–	2	27
Impairment of property, plant and equipment	–	86	–	–	–	86
Allowance for impairment on trade receivables	–	–	–	4,317	–	4,317
Amortisation of other intangible assets	–	–	–	–	34	34

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4. FINANCIAL INFORMATION BY OPERATING SEGMENTS (CONT'D)

4F. Geographical information

	Revenue		Non-current assets	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Singapore	16,279	33,422	29,628	30,392
Malaysia	978	4,245	100	131
Indonesia	132	3,233	–	–
Others	651	1,671	249	260
	18,040	42,571	29,977	30,783

Revenues are attributed to countries on the basis of customer's location, irrespective of the origin of the goods and services. The non-current assets, excluding deferred tax assets are analysed by the geographical area in which the assets are located.

4G. Information about major customers

	Group	
	2021 \$'000	2020 \$'000
Top 1 customer in departmental stores (2020: departmental stores) segment	1,231	5,380

5. REVENUE

	Group	
	2021 \$'000	2020 \$'000
Sale of goods	16,427	40,484
Royalty income	428	642
Rental income	419	970
Other revenues	766	475
	18,040	42,571

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 is recognised over time. Other revenues mainly consist of services charged which is recognised at point in time.

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6. OTHER GAINS AND (OTHER LOSSES)

	Group	
	2021 \$'000	2020 \$'000
Allowance for impairment on trade receivables	(233)	(4,317)
Allowance for impairment on inventories	(2,041)	(333)
Allowance for impairment on other receivables	–	(130)
Amortisation of other intangible assets	(35)	(34)
Bad debts written off	(62)	–
Fair value loss on derivative financial instruments	(155)	–
Foreign exchange adjustment losses	(95)	(43)
Gain on disposal of property held for sale	2,158	–
(Loss)/gain on disposal of plant and equipment	(45)	104
Government grants	3,542	237
Reversal of/(impairment of) plant and equipment	41	(86)
Impairment loss on goodwill	–	(8)
Inventories written off	(10)	–
Plant and equipment written off	(24)	(27)
Other gains	–	20
Net	3,041	(4,617)
Presented in profit or loss as:		
Other gains	5,741	361
Other losses	(2,700)	(4,978)
Net	3,041	(4,617)

7. FINANCE COSTS

	Group	
	2021 \$'000	2020 \$'000
Interest on lease liabilities	305	350
Interest expense	565	775
	870	1,125

8. EMPLOYEE BENEFITS EXPENSE

	Group	
	2021 \$'000	2020 \$'000
Short-term employee benefits expense	5,803	9,971
Government grants	(3,542)	(237)
Contributions to defined contribution plans	825	1,522
Other benefits	218	337
Total employee benefits expense	3,304	11,593

	Marketing and distribution costs \$'000	Administrative expenses \$'000	Other gains \$'000	Total \$'000
2021	5,086	1,760	(3,542)	3,304
2020	9,377	2,453	(237)	11,593

NOTES TO THE FINANCIAL STATEMENTS

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9. INCOME TAX EXPENSE

9A. Components of tax expense recognised in profit or loss include:

	Group	
	2021 \$'000	2020 \$'000
Current tax expense:		
Current tax expense	176	190
Under adjustments to current tax in respect of prior periods	108	118
Sub-total	284	308
Deferred tax income:		
Deferred tax income	(22)	(5)
Total income tax expense	262	303

The reconciliation of income taxes below is determined by applying the Singapore corporate tax rate. The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2020: 17%) to profit or loss before income tax as a result of the following differences:

	Group	
	2021 \$'000	2020 \$'000
Loss before tax	(1,104)	(5,895)
Less: Share of loss/(profit) from equity-accounted associate	26	(13)
	(1,078)	(5,908)
Income tax benefit at the above rate	(183)	(1,004)
Expenses not deductible for tax purposes	212	104
Income not subject to tax	(1,008)	-
Stepped income exemption	(30)	(20)
Effect of different tax rates in different countries	(15)	(15)
Under adjustments to tax in respect of prior periods	108	118
Deferred tax assets not recognised	959	989
Withholding tax paid, net of double tax relief	155	91
Other minor items less than 3% each	64	40
Total income tax expense	262	303

There are no income tax consequences of dividends to owners of the company.

The major not liable to tax items include the following:

	Group	
	2021 \$'000	2020 \$'000
Gain on disposal of property held for sale	(406)	-
Government grant from Job Support Scheme	(602)	-

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

9. INCOME TAX EXPENSE (CONT'D)

9B. Deferred tax income recognised in profit or loss includes:

	Group	
	2021 \$'000	2020 \$'000
Excess of net book value of property, plant and equipment over tax value	39	48
Other intangible assets and fair value adjustment to depreciable properties arising from acquisition of subsidiaries	(13)	(10)
Excess of tax value of property, plant and equipment over net book value	(55)	(34)
Tax loss carryforwards	173	(28)
Provisions	(1,125)	(970)
Deferred tax assets not recognised	959	989
Total deferred income tax income recognised in profit or loss	(22)	(5)

9C. Deferred tax balances in the statement of financial position:

	Group	
	2021 \$'000	2020 \$'000
<u>Deferred tax (liabilities)/assets recognised in profit or loss:</u>		
Excess of net book value of property, plant and equipment over tax value	(149)	(147)
Other intangible assets and fair value adjustment to depreciable properties arising from acquisition of subsidiaries	(61)	(74)
Excess of tax value of property, plant and equipment over net book value	60	42
Unabsorbed capital allowances	18	18
Tax loss carryforwards	167	340
Provisions	2,328	1,203
Deferred tax assets not recognised	(2,466)	(1,507)
Total	(103)	(125)
Presented in the statement of financial position as:		
Deferred tax liabilities	(122)	(159)
Deferred tax assets	19	34
Net position	(103)	(125)

	Company	
	2021 \$'000	2020 \$'000
<u>Deferred tax liabilities recognised in profit or loss:</u>		
Excess of net book value of property, plant and equipment over tax value	(52)	(68)
Provisions	11	3
Total	(41)	(65)
Presented in the statement of financial position as:		
Deferred tax liabilities	(41)	(65)

It is impracticable to estimate the amount expected to be settled or used within one year. Temporary differences arising in connection with interests in subsidiaries and joint venture are insignificant. The realisation of the future income tax benefits from tax loss carryforwards and temporary differences from capital allowances is available for an unlimited future period subject to the conditions imposed by law including the retention of majority shareholders as defined.

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10. LOSS PER SHARE

The following table illustrates the numerators and denominators used to calculate basic and diluted loss per share of no par value:

	Group	
	2021 \$'000	2020 \$'000
A. Numerators: loss attributable to equity:		
Continuing operations: attributable to equity holders	(1,841)	(6,111)
	Group	
	2021 '000	2020 '000
B. Denominators: weighted average number of equity shares:		
Basic and diluted	63,098	63,098

The weighted average number of equity shares refers to shares in circulation during the reporting year. It is after the neutralization of the treasury shares.

There is no dilution of loss per share as there are presently no dilutive shares outstanding as at the end of the reporting year. The denominators used are the same as those detailed above for both basic and diluted loss per share.

11. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold properties \$'000	Equipment and leasehold improvements \$'000	Total \$'000
Cost:			
At 1 April 2019	19,864	5,578	25,442
Additions	–	735	735
Arising from acquisition of a subsidiary (Note 30)	–	261	261
Disposals/write off	–	(1,064)	(1,064)
At 31 March 2020	19,864	5,510	25,374
Additions	–	138	138
Disposals/write off	–	(246)	(246)
At 31 March 2021	19,864	5,402	25,266
Accumulated depreciation and impairment losses:			
At 1 April 2019	1,101	2,902	4,003
Depreciation for the year	503	865	1,368
Arising from acquisition of a subsidiary	–	203	203
Impairment for the year	–	86	86
Disposals/write off	–	(900)	(900)
At 31 March 2020	1,604	3,156	4,760
Depreciation for the year	503	710	1,213
Disposals	–	(175)	(175)
Reversal of impairment for the year	–	(41)	(41)
At 31 March 2021	2,107	3,650	5,757
Carrying value:			
At 1 April 2019	18,763	2,676	21,439
At 31 March 2020	18,260	2,354	20,614
At 31 March 2021	17,757	1,752	19,509

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11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Group	
	2021	2020
	'000	'000
Net book value of plant and equipment under lease liabilities	288	244

Allocation of the depreciation expense and impairment loss:

	Group	
	2021	2020
	\$'000	\$'000
Marketing and distribution costs	446	565
Administrative expenses	767	803
Other (gains)/losses	(41)	86
Total	1,172	1,454

During the reporting year, plant and equipment amounting to nil (2020: \$86,000) from loss-making outlets were impaired.

Company	Leasehold property \$'000	Equipment and leasehold improvements \$'000	Total \$'000
<u>Cost:</u>			
At 1 April 2019	19,864	1,381	21,245
Additions	–	230	230
Disposals/write off	–	(39)	(39)
At 31 March 2020	19,864	1,572	21,436
Additions	–	59	59
Disposals/write off	–	(1)	(1)
At 31 March 2021	19,864	1,630	21,494
<u>Accumulated depreciation:</u>			
At 1 April 2019	1,101	428	1,529
Depreciation for the year	503	250	753
Disposals/write off	–	(38)	(38)
At 31 March 2020	1,604	640	2,244
Depreciation for the year	503	254	757
Disposals/write off	–	(1)	(1)
At 31 March 2021	2,107	893	3,000
<u>Carrying value:</u>			
At 1 April 2019	18,763	953	19,716
At 31 March 2020	18,260	932	19,192
At 31 March 2021	17,757	737	18,494

	Company	
	2021	2020
	\$'000	\$'000
Net book value of plant and equipment under lease liabilities	130	173

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Allocation of the depreciation expense:

	Company	
	2021 \$'000	2020 \$'000
Marketing and distribution costs	43	44
Administrative expenses	714	709
Total	757	753

Certain items are under finance lease agreements (Note 26). The leasehold property is mortgaged or pledged as security for the bank facilities (Note 27).

12. RIGHT-OF-USE ASSETS

The right-of-use assets in the statement of financial position. The details are as follows:

	Group			Company Leasehold land and building \$'000
	Leasehold land and building \$'000	Retail outlets \$'000	Total \$'000	
<u>Cost</u>				
At 1 April 2019	8,335	3,139	11,474	8,335
Remeasurement	–	(268)	(268)	–
At 31 March 2020	8,335	2,871	11,206	8,335
Additions	–	1,839	1,839	–
Disposal	–	(1,183)	(1,183)	–
At 31 March 2021	8,335	3,527	11,862	8,335
<u>Accumulated depreciation</u>				
At 1 April 2019	–	–	–	–
Depreciation for the year	215	1,314	1,529	215
Remeasurement	–	(42)	(42)	–
At 31 March 2020	215	1,272	1,487	215
Depreciation for the year	224	1,254	1,478	224
Disposal	–	(1,183)	(1,183)	–
At 31 March 2021	439	1,343	1,782	439
<u>Carrying value:</u>				
At 1 April 2019	8,335	3,139	11,474	8,335
At 31 March 2020	8,120	1,599	9,719	8,120
At 31 March 2021	7,896	2,184	10,080	7,896

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12. RIGHT-OF-USE ASSETS (CONT'D)

	Group	
	2021	2020
	\$'000	\$'000
Distribution expenses	1,254	1,314
Administrative expenses	224	215
Total	1,478	1,529

	Company	
	2021	2020
	\$'000	\$'000
Administrative expenses	224	215

Other information about the leasing activities relating to the right-of-use assets are summarised as follows: The remaining term range from 1 to 35 years with an average of 18 years; there are usually no options to purchase or for extension; however, there are variable payments linked to an index.

There are restrictions or covenants imposed by the leases to sublet the asset to another party. The right-of-use assets can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying leased asset outright at the end of the lease, or to extend the lease for a further term.

For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

13. INVESTMENT PROPERTY

	Group	
	2021	2020
	\$'000	\$'000
<u>Cost:</u>		
At beginning of the year	–	6,453
Transfer to property held for sale (Note 14)	–	(6,453)
At end of the year	–	–
<u>Accumulated depreciation:</u>		
At beginning of the year	–	4,550
Transfer to property held for sale (Note 14)	–	(4,711)
Depreciation for the year included under administrative expenses in profit or loss	–	161
At end of the year	–	–
<u>Carrying value:</u>		
At beginning of the year	–	1,903
At end of the year	–	–
Fair value for disclosure purposes only:		
Fair value at end of the year	–	–
Rental and service income from investment property	–	231
Direct operating expenses (including repairs and maintenance) arising from investment property that did not generate rental income during the year	–	(157)

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13. INVESTMENT PROPERTY (CONT'D)

Investment property comprises a leasehold property located at 205A Kallang Bahru, Singapore 339342.

In previous year, the group has transferred the leasehold property at 205A Kallang Bahru to property held for sale (Note 14).

As at previous year, the operating lease income commitments for the investment property has not been disclosed in the financial statements as the tenancy agreements with the tenants will be novated to the purchaser of the investment property upon completion of divestment.

14. PROPERTY HELD FOR SALE

	Group	
	2021 \$'000	2020 \$'000
Cost:		
At beginning of the year	1,742	–
Transfer from investment property (Note 13)	–	1,742
Disposal	(1,742)	–
At end of the year	–	1,742

On 18 February 2020, the group entered into an option to purchase agreement (“OTP”) in relation to the divestment of the leasehold property located at 205A Kallang Bahru, Singapore 339342. On 2 March 2020, the purchaser had accepted the option.

The disposal of the property held for sale was completed on 5 November 2020 for a consideration of \$3,900,000.

15. INTANGIBLE ASSETS

Group	Licensed brands \$'000	Trademarks \$'000	Total \$'000
Cost:			
At 1 April 2019, 31 March 2020 and 31 March 2021	864	652	1,516
Accumulated amortisation:			
At 1 April 2019	622	652	1,274
Amortisation for the year	34	–	34
At 31 March 2020	656	652	1,308
Amortisation for the year	35	–	35
At 31 March 2021	691	652	1,343
Carrying value:			
At 1 April 2019	242	–	242
At 31 March 2020	208	–	208
At 31 March 2021	173	–	173

The amortisation expense is charged to profit or loss under other losses.

Trademarks include the Brentwood trademark which was acquired by a subsidiary, YG Marketing Pte. Ltd. in 2002 and a registered trademark, U.R.S & Inc. owned by another subsidiary, SYI Co (Pte) Ltd. The Brentwood trademark is used on menswear and apparel manufactured and sold by YG Marketing Pte. Ltd.. The U.R.S & Inc. trademark is applied to women’s handbags and footwear in a number of countries. The trademarks have been fully amortised in prior years. Licensed brands relate to exclusive licensing rights of Ashworth, Arnold Palmer, Pierre Cardin, Van Heusen, Daniel Hechter and Crocodile brands. These brands have been fully amortised in prior years except for Crocodile brand. At the end of reporting year, the remaining term of license for Crocodile brand is 5 years (2020: 6 years).

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16. INVESTMENTS IN SUBSIDIARIES

	Company	
	2021 \$'000	2020 \$'000
Movements during the year:		
Balance at beginning of the year and end of the year	12,734	12,734
Net book value of subsidiaries	15,570	15,280
Carrying value comprising:		
Unquoted equity shares at cost	16,215	16,215
Allowance for impairment	(3,481)	(3,481)
Balance at end of the year	12,734	12,734
Movements in above allowance:		
Balance at beginning and end of the year	3,481	3,481

The subsidiaries held by the company and the group are listed below:

Name of subsidiaries, country of incorporation, place of operations and principal activities and independent auditors	Cost in books of group		Effective percentage of equity held by group	
	2021 \$'000	2020 \$'000	2021 %	2020 %
Demarco Pte Ltd ^(a) Singapore Importers, exporters, manufacturers and wholesalers of luggage bags and travelling accessories	2,880	2,880	100	100
YG Marketing Pte. Ltd. ^(a) Singapore Trading in garments and other related products	13,004	13,004	87.3	87.3
JIT Distribution Pte. Ltd. ^(a) Singapore Provision of logistic services	– ^(c)	– ^(c)	100	100
SYI Co (Pte) Ltd ^(a) Singapore Franchisor and master licensor	331	331	100	100
Fashion Way Sdn. Bhd. ^(b) Malaysia Sale and distribution of footwear, knitwear, wallets and all types of leather goods	– ^(c)	– ^(c)	100	100
YGM Marketing Sdn. Bhd. ^(b) Malaysia Dormant	– ^(c)	– ^(c)	100	100
<u>Held by Demarco Pte. Ltd.</u> Global Brands Studio Co., Ltd. ^(b) Kingdom of Cambodia Trading in luggage, travel bags and accessories, apparels and other related products	13	13	100	100
<u>Held by YG Marketing Pte. Ltd.</u> Singapore Crocodile (1968) Pte Ltd ^(a) Singapore Wholesale and retailing of ready-made apparel	2,808	2,808	52.4	52.4

(a) Audited by RSM Chio Lim LLP.

(b) Management accounts were used for purpose of consolidation as the subsidiaries are not considered material.

(c) Cost of investment less than \$1,000. The subsidiaries are not significant.

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16. INVESTMENTS IN SUBSIDIARIES (CONT'D)

There are subsidiaries that have non-controlling interests that are considered material to the reporting entity and additional disclosures on them (amounts before inter-company eliminations) are presented below:

	Group	
	2021 \$'000	2020 \$'000
Name of the subsidiary: YG Marketing Pte. Ltd.		
Total profit/(loss) allocated to non-controlling interests of the subsidiary during the reporting year	343	(92)
Accumulated non-controlling interests of the subsidiary at the end of the reporting year	1,479	1,136

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

	2021 \$'000	2020 \$'000
Statement of financial position		
Current assets	16,240	11,473
Non-current assets	4,587	4,455
Current liabilities	(3,065)	(3,772)
Non-current liabilities	(3,399)	(415)
Statement of profit or loss		
Revenues	8,968	17,129
Profit/(loss) for the reporting year	2,622	(706)
Total comprehensive income/(loss)	2,622	(706)
Statement of cash flows		
Operating cash flows, (decrease)/increase	(3,072)	360
Net cash flows, increase/(decrease)	2,285	(564)

	2021 \$'000	2020 \$'000
Name of the subsidiary: Singapore Crocodile (1968) Pte Ltd		
Total profit allocated to non-controlling interests of the subsidiary during the reporting year	132	5
Accumulated non-controlling interests of the subsidiary at the end of the reporting year	2,476	2,344

The summarised financial information of the subsidiary (not adjusted for the percentage ownership held by the group and amounts before inter-company eliminations) is as follows:

	2021 \$'000	2020 \$'000
Statement of financial position		
Current assets	6,578	5,171
Non-current assets	968	473
Current liabilities	(1,107)	(869)
Non-current liabilities	(1,391)	(25)
Statement of profit or loss		
Revenues	5,294	7,843
Profit for the reporting year	305	39
Total comprehensive income	305	39
Statement of cash flows		
Operating cash flows, increase	626	46
Net cash flows, increase/(decrease)	1,433	(183)

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17. INVESTMENT IN ASSOCIATES

	Group	
	2021 \$'000	2020 \$'000
Movements in carrying value:		
Balance at beginning of the year	239	169
Additions	–	57
Share of post-acquisition (loss)/profit	(26)	13
Balance at end of the year	213	239
Carrying value comprising:		
Unquoted equity shares at cost	275	275
Share of post-acquisition loss	(62)	(36)
	213	239

The listing of and information on the associates are given below:

Name of associates, country of incorporation, place of operations, principal activity and independent auditors	Percentage of equity held by group	
	2021 %	2020 %
Beijing U-Sibei Trading Co., Ltd ^(a) People's Republic of China Dormant	45	45
Delsey Singapore Pte. Ltd. ^{(b)(d)} Singapore Distribution, wholesale and retail of Delsey luggage and travel accessories JC Allianz & Co.	35	35
BYN International Co., Ltd ^{(b)(c)} Thailand Merchandising development, manufacture and sale of men's apparel	20	20

(a) No management accounts were available as an application has been filed with the Chinese authorities to de-register the associate since May 2011. As at 31 March 2021, the management is still working with the joint venture partner to complete the deregistration. Management is of the view that there are no further expenses arising from the deregistration.

(b) Management accounts were used for the purpose of equity accounting as the associates are not considered material.

(c) On 4 August 2017, the group together with other companies in apparel industry, incorporated BYN International Co., Ltd. In 2020, the group injected a further amount of \$57,000 into the associate.

(d) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM Chio Lim LLP in Singapore is a member. The name is indicated above.

There are associates that are considered not material to the reporting entity. The summarised financial information of all the non-material associates and the aggregate amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associates are as follows. These are adjusted to reflect adjustments made by the reporting entity when using the equity method.

	Group	
	2021 \$'000	2020 \$'000
Aggregate for all non-material associates:		
(Loss)/profit from continuing operations	(297)	279
Total comprehensive (loss)/income	(297)	279
Net assets of the associates	509	917

There are no significant restrictions on the ability of the major associates to transfer funds to the reporting entity in the form of cash dividends.

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18. INVENTORIES

	Group	
	2021 \$'000	2020 \$'000
Finished goods and goods for resale	12,098	15,418
Inventories are stated after allowance. Movements in allowance:		
Balance at beginning of the year	1,372	1,090
Charged to profit or loss included in other losses	2,041	333
Used/Written off	–	(51)
Balance at end of the year	3,413	1,372
Changes in inventories of finished goods and goods for resale	(3,320)	(3,253)
The amount of inventories included in cost of sales	8,735	22,807

Certain inventories were purchased under bills payable (Note 27).

19. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade receivables:</u>				
Outside parties	10,591	11,359	22	–
Less allowance for impairment – outside parties	(4,894)	(4,728)	–	–
Subsidiaries (Note 3)	–	–	3,445	2,851
Less allowance for impairment – subsidiaries	–	–	(92)	(78)
Net trade receivables, sub-total	5,697	6,631	3,375	2,773
<u>Other receivables:</u>				
Related parties (Note 3)	28	24	–	–
Deposits to secure services	661	725	31	44
Staff advances	65	3	–	–
Outside parties	475	324	18	66
Less allowance for impairment – outside parties	(27)	(27)	–	–
Subsidiaries (Note 3)	–	–	2,379	1,500
Less allowance for impairment – subsidiaries	–	–	(2,128)	(960)
Government grant receivables	386	604	8	40
Net other receivables, sub-total	1,588	1,653	308	690
Total trade and other receivables	7,285	8,284	3,683	3,463
Disclosed as:				
Trade and other receivables, current	7,283	8,281	3,683	3,463
Other receivables, non-current	2	3	–	–
	7,285	8,284	3,683	3,463
<u>Movements in above allowances:</u>				
Balance at beginning of the year	4,755	517	1,038	1,016
Charge for trade and other receivables to profit or loss included in other losses	233	4,447	1,182	22
Used	(67)	(209)	–	–
Balance at end of the year	4,921	4,755	2,220	1,038

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19. TRADE AND OTHER RECEIVABLES (CONT'D)

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). In the event that the customer does not fulfil the obligation to pay the debts, the group has the right to dispose the collateral and collect the sales proceed arising from the disposal without the approval by the customer. The customer has signed a letter of undertaking to create a floating charge over certain assets of the customer. 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.

These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have low credit risk individually. At the end of the reporting year, a loss allowance is recognised at an amount equal to life time expected credit losses because there has been a significant increase in credit risk since initial recognition. A loss allowance balance of the group amounting to \$4,894,000 (2020: \$4,728,000) and the company amounting to \$92,000 (2020: \$78,000) were recognised. Except for those in the above paragraph, there is no collateral held as security and other credit enhancements for the trade receivables.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

- (a) Ageing analysis of the age of gross trade receivable amounts that are past due as at the end of reporting year:

	Group	
	2021 \$'000	2020 \$'000
Trade receivables:		
Less than 60 days	1,967	1,519
61-90 days	397	606
91-120 days	29	1,003
Over 120 days	8,198	8,231
Total	10,591	11,359

- (b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	Group	
	2021 \$'000	2020 \$'000
Trade receivables:		
Over 120 days	4,894	4,728
Total	4,894	4,728

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 7 to 30 days (2020: 7 to 30 days) except for an overseas distributor to whom extended credit terms are granted. But some customers take a longer period to settle the amounts. The group does not generally grant credit for retail customers as goods are usually settled in cash, Network For Electronic Transfers (NETS) and credit card payments. NETS and credit card payments take approximately a few days to settle.

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19. TRADE AND OTHER RECEIVABLES (CONT'D)

Concentration of trade receivable customers at the end of reporting year:

	Group	
	2021 \$'000	2020 \$'000
Top 1 customer	7,081	7,578
Top 2 customers	8,094	9,255

Other receivables are normally with no fixed terms and therefore there is no maturity.

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12-month expected credit losses because there has not been a significant increase in credit risk since initial recognition. A loss allowance balance of \$27,000 (2020: \$27,000) and \$2,128,000 (2020: \$960,000) of the group and the company were recognised respectively.

20. OTHER NON-FINANCIAL ASSETS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	245	415	19	23

21. CASH AND CASH EQUIVALENTS

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Not restricted in use	9,768	5,493	413	141
Interest earning balances	1,928	364	52	69

The rate of interest for the cash on interest earning balances ranged from 0.02% – 1.65% (2020: 0.1% – 3.75%) per annum.

21A. Cash and cash equivalents in the consolidated statement of cash flows:

	Group	
	2021 \$'000	2020 \$'000
As shown above	9,768	5,493
Bank overdrafts (Note 27B)	–	(395)
Cash restricted in use over 3 months	–	(100)
Cash and cash equivalents for consolidated statement of cash flows purposes at end of the year	9,768	4,998

21B. Non-cash transactions:

During the financial year, there were acquisitions of plant and equipment with a total cost of nil (2020: \$130,000) acquired by means of finance leases.

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21. CASH AND CASH EQUIVALENTS (CONT'D)

21C. Reconciliation of liabilities arising from financing activities:

	2020 \$'000	Cash flows \$'000	Non-cash changes \$'000	2021 \$'000
Lease liabilities	10,007	(1,424)	1,839 ^(a)	10,422
Borrowings, excluding bank overdrafts	24,248	(443)	–	23,805
Total liabilities from financing activities	34,255	(1,867)	1,839	34,227

	2019 \$'000	Cash flows \$'000	Non-cash changes \$'000	2020 \$'000
Lease liabilities	103	(1,475)	11,379 ^(a)	10,007
Borrowings, excluding bank overdrafts	24,037	211	–	24,248
Total liabilities from financing activities	24,140	(1,264)	11,379	34,255

(a) Arose from addition of leases.

22. SHARE CAPITAL

	Number of shares issued '000	Share capital \$'000
Group and Company		
Balance at 1 April 2019, 31 March 2020 and 31 March 2021	63,106	21,831

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	Cost \$'000
Number at 1 April 2019, 31 March 2020 and 31 March 2021	8	2

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

Capital management:

The objectives when managing capital are: to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

The management does not set a target level of gearing but uses capital opportunistically to support its business and to add value for shareholders. The key discipline adopted is to widen the margin between the return on capital employed and the cost of that capital.

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22. SHARE CAPITAL (CONT'D)

Capital management: (cont'd)

In order to maintain its listing on the Singapore Stock Exchange, the company has to have share capital with a free float of at least 10% of the shares. The company met the capital requirement on its initial listing and the rules limiting treasury share purchases mean it will automatically continue to satisfy that requirement, as it did throughout the reporting year. Management receives a report from the registrar frequently on substantial share interests showing the non-free float to ensure continuing compliance with the 10% limit throughout the reporting year.

	2021	2020
	\$'000	\$'000
Net debt:		
All current and non-current borrowings including finance leases	34,227	34,650
Less cash and cash equivalents	(9,768)	(5,493)
Net debt	<u>24,459</u>	<u>29,157</u>
Net capital:		
Equity	<u>20,719</u>	<u>22,050</u>
	%	%
Debt-to-adjusted capital ratio	<u>118.1</u>	<u>132.2</u>

The favourable change of the group as shown by decrease in the debt-to-adjusted capital ratio for the reporting year resulted primarily from the decrease in net debt due and to the increase in cash and cash equivalents.

23. OTHER RESERVES

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Foreign currency translation reserve (Note 23A)	203	168	-	-
Gain on changes of non-controlling interests	248	248	-	-
Loss on reissuance of treasury shares	(82)	(82)	(82)	(82)
Transfer to accumulated losses	(166)	-	82	-
Total at the end of the year	<u>203</u>	<u>334</u>	<u>-</u>	<u>(82)</u>

23A. Foreign currency transaction reserve:

	Group	
	2021	2020
	\$'000	\$'000
At beginning of the year	168	174
Exchange difference on translating foreign currencies	35	(6)
At end of the year	<u>203</u>	<u>168</u>

All reserves classified on the face of the statement of financial position as retained earnings represents past accumulated earnings and are distributable as cash dividends. The other reserves are not available for cash dividends unless realised.

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24. PROVISIONS

	Group	
	2021 \$'000	2020 \$'000
Provision for dismantling and removing the item and restoring the site relating to plant and equipment	143	195
Movements in above provision:		
Balance at beginning of the year	195	160
Additions	–	53
Used	(52)	(18)
Balance at end of the year	143	195

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased properties. The estimate is based on quotations from external contractors. The unexpired terms range from 1 to 3 years.

25. TRADE AND OTHER PAYABLES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Trade payables:</u>				
Outside parties and accrued liabilities	2,751	3,439	359	292
<u>Other payables:</u>				
Related parties (Note 3)	36	6	–	–
Subsidiaries (Note 3)	–	–	5,226	97
Director (Note 3)	–	400	–	–
Outside party	–	57	–	57
Deposits received	422	381	372	331
Other payables, sub-total	458	844	5,598	485
Total trade and other payables	3,209	4,283	5,957	777

Deposits received relate to security deposits refundable to the tenants at the end of the lease term.

26. LEASE LIABILITIES

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

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Lease liabilities, current	1,272	1,226	157	152
Lease liabilities, non-current	9,150	8,781	8,020	8,176
	10,422	10,007	8,177	8,328

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26. LEASE LIABILITIES (CONT'D)

Information on leases:

	Leasehold land and building	Plant and equipment	Retail outlets
Number of right-of-use assets	1 (2020: 1)	2 (2020: 2)	9 (2020: 8)
Remaining term – range	35.2 years (2020: 36.2 years)	2.5 years – 3.1 years (2020: 3.5 years – 4.1 years)	1.4 years – 4 years (2020: 2.4 years – 5 years)
Remaining term – average	35.2 years (2020: 36.2 years)	2.5 years (2020: 3.5 years)	3 years (2020: 1.1 years)
Number of leases with extension options	1 (2020: 1)	- (2020: -)	9 (2020: 8)
Weighted average incremental borrowing rate applied to lease liabilities	3.06% (2020: 3.06%)	1.99% (2020: 1.99%)	2.00% – 3.29% (2020: 3.29% – 3.50%)

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-to-use assets.

Only variable lease payments that depend on an index or a rate; payments that vary to reflect changes in market rental rates are included in the measurement of the lease liability. Such variable amounts that are unpaid at the commencement date are included in the measurement of lease liability. Variable lease payments would also include extension options and termination options. The variable lease payments that based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

Lease liabilities under operating leases are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Certain leases are secured by a legal charge over the leased assets.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

A summary of the maturity analysis of lease liabilities is disclosed in Note 34E. Total cash outflows from leases are shown in the consolidated statement of cash flows. The related right-of-use-assets are disclosed in Note 12.

	Leased building	Retail outlet
Effective borrowing rates	2.00% to 3.29% (2020: 3.5% to 6.8%)	2.00% to 3.29% (2020: 3.5% to 6.8%)
Remaining term (average)	3 to 5 years (2020: 3 to 5 years)	3 to 5 years (2020: 3 to 5 years)

Total cash outflows for leases for the year ended 31 March 2021 are shown in the consolidated statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

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26. LEASE LIABILITIES (CONT'D)

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

	Group	
	2021 \$'000	2020 \$'000
Expense relating to short-term leases included in marketing and distribution costs	174	269
Expense relating to leases of low-value assets included in marketing and distribution costs	73	52
Expense relating to variable lease payments not included in lease liabilities included in marketing and distribution costs	40	206
	287	527

The fixed interest rate approximates the market interest rate. The carrying amount of the lease liabilities is not significantly different from the fair value (Level 2).

27. OTHER FINANCIAL LIABILITIES

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Non-current:</u>				
<u>Financial instruments with floating interest rate:</u>				
Bank loans (secured) (Note 27A)	16,551	10,072	9,076	10,072
Non-current, total	16,551	10,072	9,076	10,072
<u>Current:</u>				
<u>Financial instruments with floating interest rate:</u>				
Bank loans (secured) (Note 27A)	6,567	8,178	5,541	8,178
Bank overdrafts (Note 27B)	–	395	–	–
Bills payable to banks (Note 27C)	687	5,998	–	–
Current, total	7,254	14,571	5,541	8,178
Total	23,805	24,643	14,617	18,250
<u>The non-current portion is repayable as follows:</u>				
Due within 2 to 5 years	10,286	2,446	2,811	2,446
After 5 years	6,265	7,626	6,265	7,626
Total non-current portion	16,551	10,072	9,076	10,072

The range of floating interest rates paid was as follows:

	Group	
	2021 %	2020 %
Bank loans (secured)	1.98 – 3.50	1.98 – 3.50
Bank overdrafts	–	5.00 – 6.25
Bills payable to banks	1.93 – 2.32	3.10 – 4.16

The company has entered into an interest rate swap to convert floating borrowing rate to fixed borrowing rate. Please see Note 28A for more information.

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27. OTHER FINANCIAL LIABILITIES (CONT'D)

27A. Bank loans

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.

27B. Bank overdrafts

The overdraft facilities are covered by corporate guarantees from the company.

27C. Bills payable to banks

The bills payable (including trust receipts) of the subsidiaries are covered by corporate guarantees from the company as well as negative pledge on the assets of a subsidiary.

28. DERIVATIVE FINANCIAL INSTRUMENTS

The table below summarises the fair value of derivatives engaged into at the end of the year. All derivatives are not designated as hedging instruments.

	Group and Company	
	2021	2020
	\$'000	\$'000
Liabilities – Derivatives with negative fair values:		
Interest rate swaps (Note 28A)	155	–
	155	–

Movements during the year as follows:

	Group and Company	
	2021	2020
	\$'000	\$'000
At beginning of the year	–	–
Fair value changes recognised in profit or loss	155	–
At end of the year	155	–

28A. Interest rate swaps

The notional amount of interest rate swaps for 2021 is \$4.0 million (2020: \$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 ("SOR") on the notional contract amount (Level 2). The interest rate swaps will expire on May 2022.

Information on maturities of the borrowings is set out in Note 27A.

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29. DEFERRED GRANT INCOME

Income deferred relating to Job Support Scheme ("JSS") was announced at the Budget 2021 (the "Unity Budget") on 18 February 2021. The purpose of the JSS is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid COVID-19. Employers who have made CPF contributions for their local employees will qualify for the payouts under JSS.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at the beginning of the year	604	–	40	–
Addition	3,537	841	–	40
Utilised	(3,542)	(237)	(25)	–
Balance at the end of the year	599	604	15	40

30. ACQUISITION OF A SUBSIDIARY

On 9 December 2019, Demarco Pte Ltd, a wholly-owned subsidiary of the company, had acquired 500 shares, representing the 50% of the total issued and paid-up share capital of Global Brands Studio Co., Ltd ("GBS") from That Vay at a nominal purchase consideration of US\$1.00 (equivalent to approximately S\$1.36). Prior to the Acquisition, Demarco held 500 shares, representing 50% of the total issued and paid-up share capital of GBS. Following the Acquisition, GBS has become a wholly-owned subsidiary of Demarco. The net assets acquired are as follows:

	At Fair values \$'000	Before combination \$'000
Plant and equipment	58	58
Inventories	313	313
Trade and other receivables	118	118
Other non-financial assets	26	26
Cash and cash equivalents	174	174
Trade and other payables	(692)	(692)
Net identifiable liabilities	(3)	(3)
Goodwill arising on consolidation	8	
Consideration	5	
Less consideration payable in FY2014	(13)	
Less consideration payable in FY2020	*	
Total consideration transferred	(8)	
Less: cash and cash equivalents acquired	(174)	
Net cash inflow on acquisition	(182)	

* denotes amount less than S\$1,000.

The contribution from the acquired subsidiary for the period between the date of acquisition and the statement of financial position date was as follows:

	From date of acquisition in 2020 \$'000
Group	
Revenue	981
Profit before tax	42

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31. CONTINGENT LIABILITIES

The company has issued corporate guarantees to banks in respect of banking facilities extended to certain subsidiaries amounting to \$10,398,000 (2020: \$9,856,000) (Note 34E).

32. CAPITAL COMMITMENTS

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	Group	
	2021 \$'000	2020 \$'000
Commitment to purchase plant and equipment	–	64

33. OPERATING LEASE INCOME COMMITMENTS – AS LESSOR

A maturity analysis of the undiscounted lease amounts to be received on an annual basis for a minimum of each of the first five years and a total of the amounts for the remaining years is as follows:

Operating lease income under SFRS (I) 16	Group and company	
	2021 \$'000	2020 \$'000
Not later than 1 year	34	312
Between 1 and 2 years	34	34
Between 2 and 3 years	14	34
Between 3 and 4 years	–	14
	<hr/>	
	Group	
	2021 \$'000	2020 \$'000
Rental income for the year	419	970

Operating lease income commitments are for certain office and warehouse premises. The lease rental income terms are negotiated for average terms of two to three years. Rentals are not subject to any escalation clause.

The management has not entered into contractual obligations for the maintenance or enhancement of the leasehold and investment properties.

As the lessor, the group manages the risk associated with any rights it retains in the underlying assets by having insurance coverage to reduce that risk.

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34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS

34A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial assets:</u>				
Financial assets at amortised cost	17,155	13,777	4,096	3,604
At end of the year	17,155	13,777	4,096	3,604
<u>Financial liabilities:</u>				
Financial liabilities at amortised cost	37,436	38,933	28,751	27,355
Financial liabilities at through profit or loss	155	–	155	–
At end of the year	37,591	38,933	28,906	27,355

Further quantitative disclosures are included throughout these financial statements.

34B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The following guidelines are followed:

1. Minimise interest rate, currency, credit and market risk for all kinds of transactions.
2. Maximise the use of "natural hedge": favouring as much as possible the natural off-setting of sales and costs and payables and receivables denominated in the same currency and therefore put in place hedging strategies only for the excess balance (if necessary). The same strategy is pursued with regard to interest rate risk.
3. All financial risk management activities are carried out and monitored by senior management staff.
4. All financial risk management activities are carried out following good market practices.

There have been no changes to the exposures to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

34C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

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34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counterparties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standards on financial instruments.

34E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 to 120 days (2020: 30 to 120 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

Group	Less than 1 year \$'000	2-5 years \$'000	Over 5 years \$'000	Total \$'000
<u>2021</u>				
Non-derivative financial liabilities:				
Gross borrowings commitments	7,484	10,896	6,769	25,149
Gross lease liabilities	1,560	3,384	10,786	15,730
Trade and other payables	3,209	–	–	3,209
At end of the year	12,253	14,280	17,555	44,088
<u>2020</u>				
Non-derivative financial liabilities:				
Gross borrowings commitments	14,669	4,669	7,454	26,792
Gross lease liabilities	1,516	2,850	11,164	15,530
Trade and other payables	4,283	–	–	4,283
At end of the year	20,468	7,519	18,618	46,605

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Company	Less than 1 year \$'000	2-5 years \$'000	Over 5 years \$'000	Total \$'000
<u>2021</u>				
Non-derivative financial liabilities:				
Gross borrowings commitments	5,772	3,420	6,769	15,961
Gross lease liabilities	407	2,235	10,786	13,428
Trade and other payables	5,957	–	–	5,957
Financial guarantee contracts	10,398	–	–	10,398
At end of the year	22,534	5,655	17,555	45,744
<u>2020</u>				
Non-derivative financial liabilities:				
Gross borrowings commitments	8,277	4,669	7,454	20,400
Gross lease liabilities	407	2,233	11,164	13,804
Trade and other payables	777	–	–	777
Financial guarantee contracts	9,856	–	–	9,856
At end of the year	19,317	6,902	18,618	44,837

The above amounts disclosed in the maturity analysis are the contractual undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

Financial guarantee contracts – For issued financial guarantee contracts the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called. At the end of the reporting year no claims on the financial guarantees are expected to be payable.

The following table shows the maturity analysis of the contingent liabilities from financial guarantees:

Company	Less than 1 year \$'000	2-5 years \$'000	Total \$'000
<u>2021</u>			
Financial guarantee contracts – in favour of subsidiaries	10,398	–	10,398
Total	10,398	–	10,398
<u>2020</u>			
Financial guarantee contracts – in favour of subsidiaries	9,856	–	9,856
Total	9,856	–	9,856

Banking facilities	Group	
	2021 \$'000	2020 \$'000
Undrawn borrowing facilities	10,062	7,157

The undrawn borrowing facilities are available for operating activities and to settle other commitments. Borrowing facilities are maintained to ensure funds are available for the operations. A schedule showing the maturity of financial liabilities and unused bank facilities is provided regularly to management to assist in monitoring the liquidity risk.

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34F. Interest rate risk

Interest rate risk arises from interest-bearing financial instruments recognised in the statement of financial position and from some financial instruments not recognised in the statement of financial position. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<u>Financial assets:</u>				
Floating rate	1,928	364	52	69
Total at end of the year	1,928	364	52	69
<u>Financial liabilities:</u>				
Fixed rate	10,422	10,007	8,177	8,328
Floating rate	23,960	24,643	14,772	18,250
Total at end of the year	34,382	34,650	22,949	26,578

The interest rates are disclosed in the respective notes.

In order to manage interest rate risk, the company entered into:

- Interest rate swaps to mitigate fair value risk by converting floating rate borrowings to fixed rate borrowings, as described in Note 27A.

Sensitivity analysis:

	Group	
	2021 \$'000	2020 \$'000
<u>Financial assets:</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would change pre-tax loss for the year by	19	4
<u>Financial liabilities:</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would change pre-tax loss for the year by	344	347
	Company	
	2021 \$'000	2020 \$'000
<u>Financial assets:</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would change pre-tax loss for the year by	1	1
<u>Financial liabilities:</u>		
A hypothetical variation in interest rates by 100 basis points with all other variables held constant, would change pre-tax loss for the year by	229	266

The analysis has been performed for floating interest rate over a year for financial instruments. The impact of a change in interest rates on floating interest rate financial instruments has been assessed in terms of changing of their cash flows and therefore in terms of the impact on profit or loss. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

Analysis of amounts denominated in non-functional currencies:

Group	US Dollar \$'000	HK Dollar \$'000	Ringgit Malaysia \$'000	Swiss Franc \$'000	China Renminbi \$'000	Total \$'000
<u>2021</u>						
Financial assets:						
Cash and bank balances	46	–	191	–	–	237
Loans and receivables	454	–	18	–	–	472
Total financial assets	500	–	209	–	–	709
Financial liabilities:						
Trade and other payables	(73)	(2)	(96)	(10)	(1)	(182)
Total financial liabilities	(73)	(2)	(96)	(10)	(1)	(182)
Net financial assets/(liabilities) at end of the year	427	(2)	113	(10)	(1)	527

Group	US Dollar \$'000	HK Dollar \$'000	Ringgit Malaysia \$'000	Swiss Franc \$'000	China Renminbi \$'000	Total \$'000
<u>2020</u>						
Financial assets:						
Cash and bank balances	171	–	275	–	–	446
Loans and receivables	1,055	–	472	–	–	1,527
Total financial assets	1,226	–	747	–	–	1,973
Financial liabilities:						
Trade and other payables	(45)	–	(614)	–	(431)	(1,090)
Total financial liabilities	(45)	–	(614)	–	(431)	(1,090)
Net financial assets/(liabilities) at end of the year	1,181	–	133	–	(431)	883

Company	Ringgit Malaysia \$'000
<u>2021</u>	
Financial assets:	
Cash and bank balances	52
Total financial assets	52
<u>2020</u>	
Financial assets:	
Cash and bank balances	69
Total financial assets	69

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

34. FINANCIAL INSTRUMENTS: INFORMATION ON FINANCIAL RISKS (CONT'D)

34G. Foreign currency risks (cont'd)

There is exposure to foreign currency risk as part of its normal business.

Sensitivity analysis:

The effect on pre-tax loss is not significant.

35. ITEMS IN PROFIT OR LOSS

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, this item includes the following charges:

	Group	
	2021 \$'000	2020 \$'000
Fees on audit services to independent auditors:		
– Company's independent auditor	155	155
– Other independent auditor	3	2
Total	158	157
Other fees to independent auditors:		
– Company's independent auditor	21	21
– Other independent auditor	17	2
Total	38	23

36. CHANGES AND ADOPTION OF FINANCIAL REPORTING STANDARDS

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS(I) No.	Title
SFRS (I) 1-1 and 1-8	Definition of Material – Amendments to SFRS (I) 1-1 and 1-8
SFRS (I) 3	Definition of a Business – Amendments to SFRS (I) 3
SFRS (I) PS 2	SFRS(I) Practice Statement 2 Making Materiality Judgements
SFRS (1) 16	COVID-19 Related Rent Concessions – Amendment to (effective 30 June 2020)

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 2021

37. NEW OR AMENDED STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

For the future reporting years, certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS (I) No.	Title	Effective date for periods beginning on or after
SFRS (I) 1-1	Presentation of Financial Statements – amendment relating to Classification of Liabilities as Current or Non-current	1 January 2023
SFRS (I) 3	Definition of a Business – Reference to the Conceptual Framework – Amendments to SFRS (I) 3	1 January 2022
SFRS (I) 1-16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to SFRS (I) 1-16	1 January 2022
SFRS (I) 1-37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments to SFRS (I) 1-37	1 January 2022
Various	Annual Improvements to SFRS(I)s 2018-2020	1 January 2022

STATISTICS OF SHAREHOLDINGS

AS AT 30 JUNE 2021

SHARE CAPITAL

Issued and fully paid capital – S\$23,399,825.76	Class of shares – Ordinary shares
Total number of issued shares – 63,106,209 (including treasury shares and subsidiary holdings)	Voting rights – 1 vote per share
Number of treasury shares – 7,800	Number of subsidiary holdings held - Nil
% of the number of treasury shares held against the total number of issued shares (excluding treasury shares and subsidiary holdings) - 0.01%	

SHAREHOLDINGS HELD IN HANDS OF PUBLIC

Based on the information provided and to the best knowledge of the Directors, approximately 46.73% of the issued ordinary shares of the Company were held in the hands of the public as at 30 June 2021 and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

DISTRIBUTION OF SHAREHOLDINGS

Range of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 99	2	0.40	90	0.00
100 - 1,000	341	67.52	203,020	0.32
1,001 - 10,000	98	19.41	324,100	0.51
10,001 - 1,000,000	50	9.90	8,043,192	12.75
1,000,001 and above	14	2.77	54,528,007	86.42
TOTAL	505	100.00	63,098,409	100.00

STATISTICS OF SHAREHOLDINGS

AS AT 30 JUNE 2021

TWENTY LARGEST SHAREHOLDERS

S/N	Name of Shareholders	Shares Held	%
1	THANG TECK JONG	17,360,385	27.51
2	PHILLIP SECURITIES PTE LTD	12,987,920	20.58
3	CITIBANK NOMINEES SINGAPORE PTE LTD	3,150,600	4.99
4	TAN HIAN TSIN	2,792,800	4.43
5	YANGTZEKIANG GARMENT LIMITED	2,543,982	4.03
6	NEO GIM KIONG	2,431,200	3.85
7	CHAN WING TO	2,149,818	3.41
8	MAYBANK KIM ENG SECURITIES PTE. LTD	1,935,000	3.07
9	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	1,818,000	2.88
10	HO HEE TONG	1,705,800	2.70
11	DBSN SERVICES PTE LTD	1,594,600	2.53
12	KONG LING TING @ KANG LING TING	1,485,000	2.35
13	HOE KEE KOK	1,411,902	2.24
14	NG THIAM CHIN (HUANG TIANJIN)	1,161,000	1.84
15	NG SEENG EENG	981,900	1.56
16	TAN AH KOW @ TAN AH LECK	900,600	1.43
17	TAY LEONG KWEE	635,000	1.01
18	LEO YUI MEOW	535,000	0.85
19	LIM ANDY	529,200	0.84
20	DBS NOMINEES PTE LTD	505,200	0.80
TOTAL		58,614,907	92.90

SUBSTANTIAL SHAREHOLDERS

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Thang Teck Jong ⁽¹⁾	17,360,385	27.51	10,276,600	16.29
Kong Ling Ting @ Kang Ling Ting ⁽²⁾	1,485,000	2.35	1,800,000	2.85

Notes:

- (1) Thang Teck Jong is deemed to be interested in 8,791,600 shares registered in the name of nominee accounts, namely Phillip Securities Pte Ltd, Citibank Nominees Singapore Pte Ltd, Maybank Kim Eng Securities Pte. Ltd. and United Overseas Bank Nominees (Private) Limited (jointly held by him and his spouse, Kong Ling Ting @ Kang Ling Ting). He is also deemed to be interested in 1,485,000 shares held by his spouse, Kong Ling Ting @ Kang Ling Ting.
- (2) Kong Ling Ting @ Kang Ling Ting is deemed to be interested in 1,800,000 shares registered in the name of a nominee account, United Overseas Bank Nominees (Private) Limited (jointly held by her and her spouse, Thang Teck Jong).

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of TRAVELITE HOLDINGS LTD. (the "**Company**") will be held by way of electronic means on Friday, 30 July 2021 at 10.30 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions:

AS ORDINARY BUSINESS

1. To receive and adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2021 together with the Independent Auditor's Report thereon. **(Resolution 1)**
2. To approve the payment of Directors' fees of S\$65,000 for the financial year ended 31 March 2021 (2020: S\$40,000). *(see explanatory note 1)* **(Resolution 2)**
3. To re-elect Mr Thang Teck Jong, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 2)* **(Resolution 3)**
4. To re-elect Mr Foong Daw Ching, a Director retiring pursuant to Regulation 107 of the Company's Constitution. *(see explanatory note 3)* **(Resolution 4)**
5. To re-appoint RSM Chio Lim LLP as auditor of the Company and to authorise the Directors to fix its remuneration. **(Resolution 5)**

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

6. That pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"), the Directors be authorised and empowered to: **(Resolution 6)**
 - (a) (i) allot and issue shares in the share capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
 - (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

 - (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to existing members of the Company does not exceed 20% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

(see explanatory note 4)

7. That:

(Resolution 7)

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors be authorised to exercise all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
- (i) market purchases (each a "**Market Purchase**") on the SGX-ST; and/or
 - (ii) off-market purchases (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act,

and otherwise in accordance with all other provisions of the Companies Act and the Listing Manual as may for the time being be applicable (the "**Share Buy Back Mandate**");

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;

NOTICE OF ANNUAL GENERAL MEETING

- (c) unless varied or revoked by the Company at a general meeting, the authority conferred on the Directors pursuant to the Share Buy Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next AGM of the Company is held or is required by law to be held;
 - (ii) the date on which the share buy back is carried out to the full extent mandated; or
 - (iii) the date on which the authority contained in the Share Buy Back Mandate is varied or revoked;
- (d) for purposes of this Resolution:

"Prescribed Limit" means 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the passing of this Resolution unless the Company has, at any time during the Relevant Period (as hereinafter defined), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding treasury shares and subsidiary holdings);

"Relevant Period" means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, commission, stamp duty, applicable goods and services tax, and other related expenses) not exceeding:

- (i) in the case of a Market Purchase: 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase: 120% of the Average Closing Price, where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five market days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five-day period, and the day on which the purchases were made;

"day of making of the offer" means the day on which the Company makes an offer for the purchase or acquisition of Shares from members of the Company, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"market day" means a day on which the SGX-ST is open for trading in securities, and

NOTICE OF ANNUAL GENERAL MEETING

- (e) any of the Directors be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution.

(see explanatory note 5)

8. That, subject to and contingent upon the passing of Resolution 4 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 9 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Listing Manual): **(Resolution 8)**
- (a) the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 210(5)(d)(iii)(A) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Foong Daw Ching as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 3)

9. That, subject to and contingent upon the passing of Resolution 4: **(Resolution 9)**
- (a) the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 210(5)(d)(iii)(B) of the Listing Manual (which will take effect from 1 January 2022) be approved; and
 - (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Foong Daw Ching as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 8 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 3)

10. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Wee Woon Hong
Wong Pooi Kuan
Company Secretaries

15 July 2021
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- The amount of Directors' fees paid for the financial year ended 31 March 2020 was S\$40,000 as there were no Directors' fees paid to (i) Mr Tan Chun Chieh, who ceased to be an independent Director, Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee of the Company on 31 October 2019, and (ii) Dr Clemen Chiang Wen Yuan, who was appointed as an independent Director, Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee of the Company on 4 November 2019.
- Mr Thang Teck Jong will, upon re-election as a Director, remain as the executive Chairman and a member of the Audit, Nominating and Remuneration Committees of the Company, and is considered not independent for the purposes of Rule 704(8) of the Listing Manual. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual.
- Ordinary Resolutions 8 and 9 proposed in items 8 and 9 respectively above are in anticipation of Rule 210(5)(d)(iii) of the Listing Manual which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

Mr Foong Daw Ching is an independent Director who has served on the Board for more than nine years from the date of his first appointment. Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Foong Daw Ching, and the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(6) of the Listing Manual.

In the event that Ordinary Resolutions 4, 8 and 9 are passed, Mr Foong Daw Ching will remain as an independent Director, the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company, and is considered independent for the purposes of Rule 704(8) of the Listing Manual.

In the event Ordinary Resolution 4 is passed but Ordinary Resolution(s) 8 and/or 9 is/are not passed, Mr Foong Daw Ching will remain as an independent Director until 1 January 2022 when Rule 210(5)(d)(iii) of the Listing Manual takes effect. Thereafter, Mr Foong Daw Ching will be re-designated to non-executive Director as the Company continues its search for new independent Director to comply with the requirements of the Code of Corporate Governance 2018 and the Listing Manual.

- Ordinary Resolution 6 proposed in item 6 above, if passed, will empower the Directors, from the date of the AGM until the conclusion of the next AGM of the Company, the date by which the next AGM of the Company is required by law to be held, or the date on which such authority is varied or revoked by the Company at a general meeting, whichever is the earliest, to issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 20% may be issued other than on a *pro rata* basis to existing members of the Company.
- Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors, from the date of the AGM until the date on which the next AGM is held or is required by law to be held, the date on which the share buy back is carried out to the full extent mandated, or the date on which the authority contained in the Share Buy Back Mandate is varied or revoked by the Company at a general meeting, whichever is the earliest, to make purchases (whether by way of Market Purchases or Off-Market Purchases on an equal access scheme) from time to time of up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) at prices up to but not exceeding the Maximum Price. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate are set out in greater detail in the Addendum accompanying this notice.

Notes:

To minimise physical interactions and COVID-19 transmission risks, the AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. The Company will not accept any physical attendance by members and any member seeking to attend the AGM physically in person will be turned away.

Printed copies of this notice and the accompanying Annual Report, Addendum and Proxy Form will NOT be sent to members. Instead, these documents will be made available to members solely by electronic means via publication on the Company's website at www.etravelite.com and the SGXNET at <https://www.sgx.com/securities/company-announcements>.

Alternative arrangements relating to members' participation in the AGM are:

- observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- submitting questions in advance in relation of the resolutions set out in the Notice of AGM; and
- appointing the Chairman of the AGM as proxy to attend and vote on their behalf at the AGM.

Members will be able to participate in the AGM in the manner set out in the paragraphs below.

NOTICE OF ANNUAL GENERAL MEETING

Live AGM Webcast and Live AGM Audio Feed:

The Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on Friday, 30 July 2021 at 10.30 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device.

In order to do so, members, including investors who buy Shares using CPF and/or SRS monies ("**CPF and SRS Investors**"), must pre-register online at <https://www.etravelite.com/traveliteagm2021> by 10.30 a.m. on 28 July 2021 (the "**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 10.30 a.m. on 29 July 2021 (being 24 hours before the time appointed for holding the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.30 a.m. on 29 July 2021 may contact the Share Registrar at 6236 3550 or 6236 3555 for assistance.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding CPF and SRS Investors) and who wish to participate in the AGM should contact their respective relevant intermediaries through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the Annual Report, Addendum and resolutions set out in the Notice of AGM in advance (i) at <https://www.etravelite.com/traveliteagm2021>; (ii) by post to the registered office of the Company at 53 Ubi Avenue 3, Travelite Building, Singapore 408863; or (iii) via email to thL_agm@etravelite.com. All questions must be submitted by 10.30 a.m. on 27 July 2021 (being 72 hours before the time appointed for holding the AGM).

Members, including CPF and SRS Investors, who wish to submit their questions by post or by email are required to indicate their full names (for individuals)/company names (for corporates), NRIC/passport/company registration numbers, contact numbers, shareholding types and number of Shares held together with their submission of questions, to the office address or email address provided.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act) (excluding CPF and SRS Investors) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one month after the date of the AGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to their manner of voting, or abstention from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted: (i) by post to the office of the Share Registrar at 80 Robinson Road, #11-02, Singapore 068898; or (ii) by email to sg.is.proxy@sg.tricorglobal.com, in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.30 a.m. on 28 July 2021. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including CPF and SRS Investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include CPF agent banks and SRS operators) through which they hold such Shares in order to submit their voting instructions at least seven working days before the AGM (i.e. by 5.00 p.m. on 19 July 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.30 a.m. on 28 July 2021.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

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TRAVELITE HOLDINGS LTD.

(Registration Number 200511089K)

(Incorporated in the Republic of Singapore)

PROXY FORM**IMPORTANT**

1. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 15 July 2021.
3. CPF and SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF agent banks and SRS operators to submit their votes by 5.00 p.m. on 19 July 2021.

I/We*, _____ (Name) (NRIC/Passport/Registration Number _____) of _____ (Address) being a member/members* of **TRAVELITE HOLDINGS LTD.** (the "Company"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Friday, 30 July 2021 at 10.30 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1.	To receive and adopt the Statement by Directors and Audited Financial Statements for the financial year ended 31 March 2021 together with the Independent Auditor's Report thereon			
2.	To approve the payment of Directors' fees of S\$65,000 for the financial year ended 31 March 2021			
3.	To re-elect Mr Thang Teck Jong as a Director of the Company			
4.	To re-elect Mr Foong Daw Ching as a Director of the Company			
5.	To re-appoint RSM Chio Lim LLP as auditor of the Company and to authorise the Directors to fix its remuneration			
	SPECIAL BUSINESS			
6.	To authorise the Directors to allot and issue shares and convertible securities			
7.	To approve the renewal of Share Buy Back Mandate			
8.	To approve the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 210(5)(d)(iii) (A) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			
9.	To approve the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 210(5)(d)(iii) (B) of the Listing Manual of the SGX-ST (which will take effect from 1 January 2022)			

* Delete accordingly

** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [✓] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021

Total Number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the member.
2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM. Where the members (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to their manner of voting, or abstention from voting, in respect of a resolution in this proxy form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, being a proxy, need not be a member of the Company.
4. This proxy form, duly executed, must be submitted: (i) by post to the office of the Share Registrar at 80 Robinson Road, #11-02, Singapore 068898; or (ii) by email to sg.is.proxy@sg.tricorglobal.com, in each case, not less than 48 hours before the time appointed for holding the AGM i.e. by 10.30 a.m. on 28 July 2021.
5. This proxy form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this proxy form is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this proxy form, failing which this proxy form may be treated as invalid.
7. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.
8. Persons who hold shares through relevant intermediaries (as defined in Section 181 of the Companies Act, Chapter 50), including investors who buy shares using CPF and/or SRS monies, and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including CPF agent banks and SRS operators, to submit their voting instructions at least seven working days before the AGM (i.e. by 5.00 p.m. on 19 July 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by 10.30 a.m. on 28 July 2021.
9. The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 15 July 2021.



Visit us at:
www.etravelite.com



Travelite Holdings Ltd

Company Registration No.: 200511089K

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