

# Asiatravel.com



**ASIATRavel.COM HOLDINGS LTD**  
**(Company Registration No.: 199907534E)**  
**(the “Company”)**

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## **DISCLAIMER OF OPINION ON FINANCIAL STATEMENTS FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

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Pursuant to Rule 704(4) of the Listing Manual - Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Board of Directors (“**Board**”) of Asiatravel.com Holdings Ltd (“**Company**”) and together with its subsidiaries, “**Group**”) wishes to announce that the Independent Auditors of the Company, Messrs Ernst & Young LLP (“**Auditors**”), had included a disclaimer of opinion in its Independent Auditors’ Report in respect of the audited financial statements of the Group for the financial period ended 31 December 2017 (“**FP2017**”). This is in respect of material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concern.

The Board has prepared the financial statements on a going concern basis based on the factors and assumptions set out below:

- a) The Group had received partial funding from its controlling shareholder amounting to S\$0.2 million in January 2018 from the Convertible Note agreement dated 21 July 2017 and was scheduled to receive the remaining funding amounting to S\$7.35 million by 30 June 2018. This is a binding note on the subscriber, ZhongHong Holding Co., Ltd. The completion of the note and receipt of the fund is critical to the Group’s continuing operations and payment of its debt. However, the fund was not received as per scheduled. The Company is liaising with its controlling shareholder to find out when it can make the payment and will seek legal recourse to protect its rights. The financial statements are prepared on the assumption that payment will be made in due course. There is however no certainty that payment will be received.
- b) The Group has about S\$1.3 million withheld by its payment gateway service provider for contingent charge-back. The Group’s record for charge-back for the past 3 years is less than S\$40,000.00 per annum. The Company is requesting for the release of this contingent fund to ease its cash flow. The Group is also working on using the contingent charge-back as a collateral to secure loan.
- c) The Group is in continuing discussions with various parties to seek investments and is also exploring alternative fund raising to address its cash flow and continuing business growth.
- d) Subsequent to year-end, the Company has received an undertaking from its controlling shareholder to provide financial support as and when the need arises.
- e) Subsequent to year-end, the Group received funding of S\$1 million from new investors through placement shares which was completed on 6 April 2018.
- f) The Group also believes that the launch of Augmented Reality digital tours will provide incremental positive cash flows to the Group.

- g) The Group has completed its restructuring exercises and going forward from July 2018, the Group's operational costs would be substantially reduced and the Group will only focus on cash flow positive businesses.

Based on the Group's total assets and total liabilities of \$25.93 million and \$24.53 million respectively as at 31 December 2017 and with the above-mentioned measures, the Group continues to adopt the going concern assumption in the preparation of the financial statements.

A copy of the aforesaid Independent Auditors' Report and an extract of the relevant Notes to Audited Financial Statements in respect of the Disclaimer of Opinion are annexed to this announcement for further information.

The Annual Report containing the Independent Auditors' Report and a completed set of the Audited Financial Statements for FP2017 will be despatched to the shareholders of the Company in due course.

### **By Order of the Board**

Boh Tuang Poh  
Executive Chairman and Chief Executive Officer  
6 July 2018

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*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement. The details of the contact person for the Sponsor are as follows:*

Name : Mr Mah How Soon, Registered Professional  
Address : 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619  
Tel : (65) 6381 6757

**A COPY OF THE INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2016 TO 31 DECEMBER 2017**

**Independent Auditor's Report to the Members of Asiatravel.com Holdings Ltd**

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**Report on the audit of the financial statements**

**Disclaimer of Opinion**

We were engaged to audit the financial statements of Asiatravel.com Holdings Ltd (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 31 December 2017, statements of changes in equity of the Group and Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the period from 1 October 2016 to 31 December 2017, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Group and the balance sheet and statement of changes in equity of the Company. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

**Basis for Disclaimer of opinion**

The Group incurred a net loss of \$34.55 million for the financial period ended 31 December 2017. As at that date, the Group's and Company's current liabilities exceeded their current assets by \$10.99 million and \$0.44 million respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concern.

The directors have prepared the financial statements on a going concern basis based on the assumptions as disclosed in Note 2.2 to the financial statements. However, based on the information available to us, we have not been able to obtain sufficient audit evidence to satisfy ourselves as to the appropriateness on the use of the going concern assumption in the preparation of the financial statements.

**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 FRSS, 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.

## **Independent Auditor's Report to the Members of Asiatravel.com Holdings Ltd**

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### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our responsibility is to conduct an audit of the financial statements in accordance with Singapore Standards on Auditing and to issue an auditor's report. However, because of the matter described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group 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 had fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA code.

### **Report on other legal and regulatory requirements**

In our opinion, in view of the significance of the matter referred to in the Basis for Disclaimer of Opinion section of our report, we do not express an opinion on whether the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore have been properly kept in accordance with the provisions of the Act.

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Ernst & Young LLP  
Public Accountants and  
Chartered Accountants

Singapore

3 July 2018

**EXTRACT OF NOTE 2.2 TO THE AUDITED FINANCIAL STATEMENT  
FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017**

**2.2 Going Concern Assumption**

The Group incurred a net loss of \$34.55 million for the financial period ended 31 December 2017 (30 September 2016: \$8.83 million). As at 31 December 2017, the Group's and Company's current liabilities exceeded their current assets by \$10.99 million (30 September 2016: net current assets of \$12.31 million) and \$0.44 million (30 September 2016: net current assets of \$10.46 million) respectively. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the ability of the Group and the Company to continue as going concern and therefore they may not be able to realise their assets and discharge their liabilities in the normal course of business.

The Board of Directors (the "Board") have prepared the financial statements on a going concern basis based on the factors and assumptions set out below:

- a) The Group had received partial funding from its controlling shareholder amounting to S\$0.2 million in January 2018 from the Convertible Note agreement dated 21 July 2017 and was scheduled to receive the remaining funding amounting to S\$7.35 million by 30 June 2018. This is a binding note on the subscriber, ZhongHong Holding Co., Ltd. The completion of the note and receipt of the fund is critical to the Group's continuing operations and payment of its debt. However, the fund was not received as per scheduled. The Company is liaising with its controlling shareholder to find out when it can make the payment and will seek legal recourse to protect its rights. The financial statements are prepared on the assumption that payment will be made in due course. There is however no certainty that payment will be received.
- b) The Group has about S\$1.3 million withheld by its payment gateway service provider, Wirecard Singapore Pte Ltd for contingent charge-back. The Group's record for charge-back for the past 3 years is less than S\$40,000 per annum. The Company is requesting for the release of this contingent fund to ease its cash flow. The Group is also working on using the contingent charge-back as a collateral to secure loan.
- c) The Group is in continuing discussions with various parties to seek investments and is also exploring alternative fund raising to address its cash flow and continuing business growth.
- d) Subsequent to year-end, the Company has received an undertaking from its controlling shareholder to provide financial support as and when the need arises.
- e) Subsequent to year-end, the Group received funding of S\$1 million from new investors through placement shares which was completed on 6 April 2018.
- f) The Group also believes that the launch of Augmented Reality digital tours will provide incremental positive cash flows to the Group.
- g) The Group has completed its restructuring exercises and going forward from July 2018, the Group's operational costs would be substantially reduced and the Group will only focus on cash flow positive businesses.

Based on the Group's total assets and total liabilities of \$25.93 million and \$24.53 million respectively as at 31 December 2017 and with the above-mentioned measures, the Group continues to adopt the going concern assumption in the preparation of the financial statements.