

Asiatravel.com



ASIATRavel.COM HOLDINGS LTD ("Company")
(Co. Regn. No.: 199907534E)

Third Quarter Financial Statement And Related Announcement For The Period Ended 30 June 2017

PART I - INFORMATION REQUIRED FOR THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2017

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		%
	S\$'000	S\$'000	
	April 2017 to June 2017	April 2016 to June 2016	Increase / (Decrease)
Revenue			
Sales of services	28,882	24,329	18.7
Other items of income			
Other income	507	1,978	(74.4)
	<u>29,389</u>	<u>26,307</u>	11.7
Items of expenses			
Changes in inventories	26,429	21,144	25.0
Amortisation of intangible assets	309	318	(2.8)
Salaries and employee benefits	3,459	2,700	28.1
Depreciation of property, plant and equipment	203	257	(21.0)
Other operating expenses	3,743	3,100	20.7
Finance costs	56	56	-
	<u>34,199</u>	<u>27,575</u>	24.0
Loss before tax	(4,810)	(1,268)	279.3
Income tax	46	(10)	N/M
Loss net of tax	<u>(4,764)</u>	<u>(1,278)</u>	272.8
Attributable to:			
Owners of the Company	(4,597)	(1,042)	341.2
Non-controlling interests	(167)	(236)	(29.2)
	<u>(4,764)</u>	<u>(1,278)</u>	272.8

N/M = Not Meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2017

	GROUP		%
	S\$'000	S\$'000	
	April 2017 to June 2017	April 2016 to June 2016	Increase / (Decrease)
Loss net of tax	(4,764)	(1,278)	272.8
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of financial statements of foreign subsidiaries	(421)	(106)	297.2
Total comprehensive income for the year	(5,185)	(1,384)	274.6
Total comprehensive income attributable to:			
Owners of the Company	(5,018)	(1,148)	337.1
Non-controlling interests	(167)	(236)	(29.2)
Total comprehensive income for the year	(5,185)	(1,384)	274.6

Notes :

- (i) Loss before tax is determined after charging / (crediting) the following :

	GROUP		%
	S\$'000	S\$'000	
	April 2017 to June 2017	April 2016 to June 2016	Increase / (Decrease)
(a) Amortisation of intangible assets	309	318	(2.8)
(b) Depreciation of property, plant and equipment	203	257	(21.0)
(c) Foreign exchange loss, net	137	82	67.1
(d) Interest income	(7)	(1)	N/M
(e) Finance costs	56	56	-
(f) Inventories written off	3	1	N/M
(g) Loss on disposal of property, plant and equipment	89	-	N/M

N/M = Not Meaningful

- Less than S\$1,000

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group S\$'000		Company S\$'000	
	30/06/2017	30/09/2016	30/06/2017	30/09/2016
Intangible assets	13,195	7,746	4,257	4,317
Property, plant and equipment	4,558	4,882	45	144
Investment in subsidiaries	-	-	7,969	6,541
Other investments	85	85	-	-
Deferred tax assets	69	5	-	-
	17,907	12,718	12,271	11,002
Current Assets				
Inventories	4,875	4,205	-	-
Trade receivables	9,496	10,763	3,253	1,195
Prepaid operating expenses	1,804	1,920	318	180
Other receivables	5,892	7,887	1,714	5,308
Amounts due from subsidiaries	-	-	33,096	17,957
Fixed deposits and cash pledged	2,083	2,066	1,915	1,906
Cash and cash equivalents	3,342	3,932	1,408	1,844
	27,492	30,773	41,704	28,390
Current Liabilities				
Trade payables	9,981	5,255	-	-
Deferred income	3,319	4,380	345	260
Other payables	8,342	7,836	5,770	2,123
Amounts due to subsidiaries	-	-	16,822	15,519
Obligations under finance leases	605	966	34	33
Income tax payable	12	24	-	-
	22,259	18,461	22,971	17,935
Net Current Assets	5,233	12,312	18,733	10,455
Non-Current Liabilities				
Obligations under finance leases	243	673	106	132
Deferred tax liabilities	3	3	-	-
Net Assets	22,894	24,354	30,898	21,325
Equity attributable to owners of the Company				
Share capital and treasury shares	68,638	59,928	68,638	59,928
Reserves	(46,400)	(36,890)	(37,740)	(38,603)
Shareholders' equity	22,238	23,038	30,898	21,325
Non-controlling interests	656	1,316	-	-
Total equity	22,894	24,354	30,898	21,325

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

Amount repayable in one year or less, or on demand

As at 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
605	NIL	966	NIL

Amount repayable after one year

As at 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
243	NIL	673	NIL

Details of any collateral

S\$0.85 million of obligation under hire purchase lease has been pledged against the Group's fleet of vehicles.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	01/04/2017 to 30/06/2017 S\$'000	01/04/2016 to 30/06/2016 S\$'000
Cash flows from operating activities :		
Loss before income tax and non-controlling interests	(4,810)	(1,268)
Adjustments for :		
Depreciation of property, plant and equipment	203	257
Amortisation of intangible assets	309	318
Interest expense	56	56
Interest income	(7)	(1)
Exchange loss - unrealised	70	82
Inventory written off	3	-
Loss on disposal of property, plant and equipment	89	-
Operating cash flows before changes in working capital	(4,087)	(556)
Changes in working capital		
Increase in inventories	(692)	(150)
Decrease / (increase) in receivables and prepaid operating expenses	2,477	(1,146)
Increase/ (decrease) in payables	1,405	(794)
Decrease in amount due to related parties	-	(6)
Cash used in operations	(897)	(2,652)
Interest paid	(56)	(56)
Interest received	7	1
Income tax paid	(26)	(4)
Translation adjustment	109	(156)
Net cash flows used in operating activities	(863)	(2,867)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(457)	(159)
Addition to intangible assets	(1,551)	(492)
Decrease in fixed deposit pledged	-	695
Net cash flows (used in) / generated from investing activities	(2,008)	44
Cash flows from financing activities :		
Repayment of obligations under finance leases	(519)	(232)
Issuance of new shares, net of expenses	(577)	8,120
Payment for treasury shares	-	(624)
Net cash flows (used in)/ generated from financing activities	(1,096)	7,264
Net (decrease) / increase in cash and cash equivalents	(3,967)	4,441
Cash and cash equivalents at the beginning of year	7,347	4,781
Effects of exchange rate changes on cash and cash equivalents	(38)	(17)
Cash and cash equivalents at end of the period	3,342	9,205
Fixed deposit and cash pledged	2,083	2,050
Total cash balance	5,425	11,255

- Less than S\$1,000/-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2017									
Balance at 1 April 2017	73,414	(4,204)	(41,760)	(1,008)	1,372	14	(41,382)	823	28,651
Loss net of tax	-	-	(4,597)	-	-	-	(4,597)	(167)	(4,764)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	(421)	-	-	(421)	-	(421)
Total comprehensive income for the period	-	-	(4,597)	(421)	-	-	(5,018)	(167)	(5,185)
Others									
Adjustment for treasury shares	-	5	-	-	-	-	-	-	5
Issuance of new shares, net of expenses	(577)	-	-	-	-	-	-	-	(577)
Total Others	(577)	5	-	-	-	-	-	-	(572)
Balance at 30 June 2017	72,837	(4,199)	(46,357)	(1,429)	1,372	14	(46,400)	656	22,894

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2016									
Balance at 1 April 2016	56,107	(3,124)	(32,504)	(1,514)	1,372	13	(32,633)	1,733	22,083
Loss net of tax	-	-	(1,042)	-	-	-	1,042)	(236)	(1,278)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	(106)	-	-	(106)	-	(106)
Total comprehensive income for the period	-	-	(1,042)	(106)	-	-	(106)	(236)	(1,384)
Contributions by and distributions to owners									
Issuance of new shares, net of expenses	8,120	-	-	-	-	-	-	-	8,120
Purchase of treasury shares	-	(624)	-	-	-	-	-	-	(624)
Total contributions by and distributions to owners	8,120	(624)	-	-	-	-	-	-	7,496
Balance at 30 June 2016	64,227	(3,748)	(33,546)	(1,620)	1,372	13	(33,781)	1,497	28,195

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
2017						
Balance at 1 April 2017	73,414	(4,204)	(40,558)	14	(40,544)	28,666
Loss net of tax	-	-	2,804	-	2,804	2,804
Total comprehensive income for the period	-	-	2,804	-	2,804	2,804
<u>Contribution by and distributions to owners</u>						
Adjustment for treasury shares	-	5	-	-	-	5
Issuance of new shares, net of expenses	(577)	-	-	-	-	(577)
Total contribution by and distributions to owners	(577)	5	-	-	-	(572)
Balance at 30 June 2017	72,837	(4,199)	(37,754)	14	(37,740)	30,898

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
2016						
Balance at 1 April 2016	56,107	(3,124)	(35,885)	13	(35,872)	17,111
Loss net of tax	-	-	1,030	-	1,030	1,030
Total comprehensive income for the period	-	-	1,030	-	1,030	1,030
<u>Contributions by and distributions to owners</u>						
Issuance of new shares, net of expenses	8,120	-	-	-	-	8,120
Purchase of treasury shares	-	(624)	-	-	-	(624)
	8,120	(624)	-	-	-	7,496
Balance at 30 June 2016	64,227	(3,748)	(34,855)	13	(34,842)	25,637

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares and subsidiary holdings, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Details of any changes in the Group's issued share capital		Number of Ordinary Shares	Paid-up Capital S\$
As at 1 April 2017 and as at 30 June 2017	Issued and fully paid ordinary shares at beginning and at end of financial period	432,645,186	69,210,089

Note : There were 17,089,100 Treasury Shares as at 30 June 2017 and 14,298,000 Treasury Shares as at 30 June 2016.

The number of shares that may be issued on conversion of all outstanding options granted pursuant to the Employees' Share Option Scheme amounted to 1,140,000 as at 30 June 2017 and 30 June 2016.

As at 30 June 2017, 840,000 shares options were granted to Lead Independent Director, Ms Mae Heng Su-Ling with an exercise price of S\$0.098 per shares with an expiry date of 12 January 2021.

Save as disclosed above, there have been no bonus or other issues of shares during the period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Ordinary Shares	Number of Ordinary Shares
	30/06/2017	30/09/2016
Total number of issued shares excluding treasury shares	432,645,186	386,176,886

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to treasury shares.

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

N/A

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Other than as mentioned in Section 5 regarding the adoption of new and revised Singapore Financial Reporting Standards, the same accounting policies and methods of computation have been applied as of the most recently audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group adopted all new and revised Singapore Financial Reporting Standards (FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016. The adoption of the new and revised FRS had no significant impact on the financial statements of the Group.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
Loss per Ordinary Share for the full-year based on net profit attributable to shareholders:-	Apr 2017 to Jun 2017	Apr 2016 to Jun 2016
(i) Based on the weighted average number of ordinary shares on issue	(1.06) cts	(0.29) cts
(ii) On a fully diluted basis	(1.06) cts	(0.29) cts

The basic loss per share (LPS) is computed based on the weighted average number of shares in issue of 432,645,186 shares during this period (3QFY2016: 360,589,715).

The financial effect of share options issued has been disregarded in the calculation for dilutive LPS for the period as they are anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP	
	As at 30 June 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	5.14 cts	5.97 cts
	COMPANY	
	As at 30 June 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	7.14 cts	5.52 cts

The Net Assets Value per Ordinary Share is computed on the number of 432,645,186 shares in issue as at 30 June 2017 and 386,176,886 shares as at 30 September 2016.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

The Group's revenue increased by 18.9% (S\$4.6 million) to S\$28.9 million for the current financial period under review when compared to S\$24.3 million in the corresponding financial period in FY 2016 mainly due to the increase in online hotel reservation business.

The Group's other income decreased by 74.4% (S\$1.5 million) due to lower service fee for the technical support business in this quarter of FY2017.

The Group's changes in inventories (Cost of Services) increased by 25.0% which is in tandem with the increase in the Group's revenue.

The Group's expenses increased mainly due to additional business costs in China.

The Group's salaries and employee benefits and other operating expenses increased by 28.1% (S\$0.8 million) and 20.7% (S\$0.6 million) respectively were incurred mainly due to the staff head count in the Group's China office.

The Group's loss before tax increased by 279.3% (S\$3.5 million) from S\$1.3 million in FY2016 to S\$4.8 million in FY 2017 mainly due to the following:

- 1) Additional business cost in the Group's China operations;
- 2) Reduction in the Group's gross margin to gain market penetration and market share in China.
- 3) A Convertible Note Agreement was signed on 16 May 2017 for S\$10 million. This fund is meant to finance travel product bulk purchase programs and general working capital. The regulatory processes took longer than expected to complete and was further delayed by the recent restrictions imposed by China authorities on overseas remittance. These events have resulted in a slow-down of the Group's core business activities while still incurring operating expenses in anticipation to support the many revenue growth programs.

The Group's intangible assets increased by 70.3% (S\$5.4 million) from S\$7.7 million in FY2016 to S\$13.2 million in FY 2017 mainly due to the increase in software development costs in the Group's China subsidiaries.

The increase in the Group's trade payables 90.0% (S\$4.7 million) is in tandem with the increase in the Group changes in inventories (cost of services).

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No specific forecast or prospect statement was previously disclosed.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group will continue with its strategies to scale up its operation and revenue growth and work on return to profitability. The Group expects to complete the S\$10 million convertible note agreement by end December 2017 as announced on 2 August 2017.

The Group will also continue to raise further funding to strengthen its balance sheet and cashflow to embark on its growth strategy and plan to enhance shareholder value.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend NA
Dividend Type
Dividend Amount per Share (in cents)
Tax Rate

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend NA
Dividend Type
Dividend Amount per Share (in cents)
Tax Rate

(c) Date payable

NA

(d) Books closure date

NA

12. **If no dividend has been declared/recommended, a statement to that effect.**

No dividend has been declared.

13. **If the group has obtained a general mandate from shareholders for interested person transactions (“IPTs”), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NA	NIL	NIL

14. Use of proceeds from placement

Further to the Company's announcement made on 24 November 2016 in relation to the completion of the placement, the Company wishes to provide an update on the utilisation of the net proceeds from the placement of approximately S\$9,377,000.

The Company has utilised S\$9,377,000 for its expansion of operations in the PRC which is inline with the intended use of the net proceeds stated in the announcement on 24 November 2016.

15. Confirmation by the Board pursuant to Rule 720(1) of the Listing manual

The Company has procured undertakings from all the Directors and Executives Officers of the Company under Rule 720(1).

16. Confirmation by the Board

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 30 June 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Director
(11/08/2017)

Heng Su-Ling, Mae
Independent Director
(11/08/2017)

This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's 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 is:-

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