

**Asiatravel.com**



ASIATRAVEL.COM HOLDINGS LTD (“Company”)  
(Co. Regn. No.: 199907534E)

**Second Quarter Financial Statement And Related Announcement For The Period Ended 31<sup>st</sup> March 2016**

**PART I - INFORMATION REQUIRED FOR SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2016**

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	
	January 2016 to March 2016	January 2015 to March 2015	Increase / (Decrease)
<b>Revenue</b>			
Sales of services	25,629	21,158	21.1
<b>Other items of income</b>			
Other income	422	500	(15.6)
	<b>26,051</b>	<b>21,658</b>	<b>20.3</b>
<b>Items of expenses</b>			
Changes in inventories	22,114	17,130	29.1
Amortisation of intangible assets	268	262	N/M
Salaries and employee benefits	2,590	2,726	(5.0)
Depreciation of property, plant and equipment	254	252	N/M
Other operating expenses	3,269	3,489	(6.3)
Finance costs	61	37	64.9
	<b>28,556</b>	<b>23,896</b>	<b>19.5</b>
<b>Loss before tax</b>	<b>(2,505)</b>	<b>(2,238)</b>	<b>11.9</b>
Income tax	(11)	(13)	N/M
<b>Loss net of tax</b>	<b>(2,516)</b>	<b>(2,251)</b>	<b>11.8</b>
<b>Attributable to:</b>			
Owners of the Company	(2,166)	(2,107)	2.8
Non-controlling interests	(350)	(144)	143.1
	<b>(2,516)</b>	<b>(2,251)</b>	<b>11.8</b>

N/M = Not Meaningful

**STATEMENT OF COMPREHENSIVE INCOME FOR SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2016**

	GROUP		%
	S\$'000		
	January 2016 to March 2016	January 2015 to March 2015	Increase / (Decrease)
<b>Loss net of tax</b>	(2,516)	(2,251)	11.8
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation of financial statements of foreign subsidiaries	(374)	450	N/M
<b>Total comprehensive income for the year</b>	<u>(2,890)</u>	<u>(1,801)</u>	<u>60.5</u>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(2,540)	(1,653)	53.7
Non-controlling interests	(350)	(148)	136.5
<b>Total comprehensive income for the year</b>	<u>(2,890)</u>	<u>(1,801)</u>	<u>60.5</u>

**Notes :**

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

	GROUP		%
	S\$'000		
	January 2016 to March 2016	January 2015 to March 2015	Increase / (Decrease)
(a) Amortisation of intangible assets	268	262	N/M
(b) Depreciation of property, plant and equipment	254	252	N/M
(c) Unrealised foreign exchange loss, net	93	242	(61.6)
(d) Interest income	(1)	(3)	N/M
(e) Finance costs	61	37	64.9

N/M = Not Meaningful

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	
	31/03/2016	30/09/2015	31/03/2016	30/09/2015
<b>Intangible assets</b>	8,041	8,132	3,945	3,908
<b>Property, plant and equipment</b>	5,559	5,932	221	297
<b>Investment in subsidiaries</b>	-	-	8,732	8,732
<b>Other investments</b>	85	85	-	-
<b>Deferred tax assets</b>	4	5	-	-
	<b>13,689</b>	<b>14,154</b>	<b>12,898</b>	<b>12,937</b>
<b>Current Assets</b>				
Inventories	4,270	4,996	65	65
Trade receivables	11,615	10,835	686	308
Prepaid operating expenses	2,722	2,003	529	564
Other receivables	2,425	2,148	107	94
Amounts due from subsidiaries	-	-	16,081	13,967
Amounts due from other related parties	-	7	-	-
Fixed deposits and cash pledged	2,757	2,974	2,596	2,730
Cash and cash equivalents	4,781	6,074	2,452	3,262
	<b>28,570</b>	<b>29,037</b>	<b>22,516</b>	<b>20,990</b>
<b>Current Liabilities</b>				
Trade payables <sup>1</sup>	6,397	3,494	-	-
Deferred income	4,322	4,782	437	250
Other payables <sup>1</sup>	7,319	5,549	1,530	1,597
Amounts due to subsidiaries	-	-	16,155	12,666
Amounts due to other related parties	11	-	-	-
Obligations under finance leases	1,805	917	33	32
Income tax payable	17	38	-	-
	<b>19,871</b>	<b>14,780</b>	<b>18,155</b>	<b>14,545</b>
<b>Net Current Assets</b>	<b>8,699</b>	<b>14,257</b>	<b>4,361</b>	<b>6,445</b>
<b>Non-Current Liabilities</b>				
Obligations under finance leases	303	1,639	148	165
Deferred tax liabilities	2	3	-	-
<b>Net Assets</b>	<b>22,083</b>	<b>26,769</b>	<b>17,111</b>	<b>19,217</b>
<b>Equity attributable to owners of the Company</b>				
Share capital and treasury shares	52,983	52,981	52,983	52,981
Reserves	(32,633)	(28,415)	(35,872)	(33,764)
<b>Shareholders' equity</b>	<b>20,350</b>	<b>24,566</b>	<b>17,111</b>	<b>19,217</b>
Non-controlling interests	1,733	2,203	-	-
<b>Total equity</b>	<b>22,083</b>	<b>26,769</b>	<b>17,111</b>	<b>19,217</b>

<sup>1</sup> The Group's trade payables and other payables increased by S\$2.9 million and S\$1.8 million respectively. The increase was mainly due to longer credit terms given by suppliers.

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
1,805	NIL	917	NIL

**Amount repayable after one year**

As at 31/03/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
303	NIL	1,639	NIL

**Details of any collateral**

S\$2.1 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.

	01/01/2016 to 31/03/2016 S\$'000	01/01/2015 to 31/03/2015 S\$'000
<b>Cash flows from operating activities :</b>		
<b>Loss before income tax and non-controlling interests</b>	(2,505)	(2,238)
Adjustments for :		
Depreciation of property, plant and equipment	254	252
Amortisation of intangible assets	268	262
Interest expense	61	37
Interest income	(1)	(3)
Share based compensation	-	1
Exchange loss - unrealised	77	242
<b>Operating cash flows before changes in working capital</b>	(1,846)	(1,447)
<b>Changes in working capital</b>		
Decrease in inventories	231	746
Increase in receivables and prepaid operating expenses	(48)	(166)
Increase / (decrease) in payables and deferred income	1,526	(1,278)
Increase in amount due to related parties	17	3
<b>Cash used in operations</b>	(120)	(2,142)
Interest paid	(61)	(37)
Interest received	1	3
Income tax paid	(7)	(21)
Translation adjustment	(228)	(97)
<b>Net cash used in operating activities</b>	(415)	(2,294)
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipment	(87)	(72)
Additional to intangible assets	(399)	(379)
<b>Net cash used in investing activities</b>	(486)	(451)
<b>Cash flows from financing activities :</b>		
Repayment of obligations under finance leases	(227)	(157)
Capital injection from non-controlling interests	-	270
Proceed from loan and borrowings	-	1,680
Decrease in fixed deposits and cash pledged	24	300
<b>Net cash (used in) / generated from financing activities</b>	(203)	2,093
Net decrease in cash and cash equivalents	(1,104)	(652)
Cash and cash equivalents at the beginning of the period	5,869	5,036
Effects of exchange rate changes on cash and cash equivalents	16	78
<b>Cash and cash equivalents at the end of the period</b>	<b>4,781</b>	<b>4,462</b>
<b>Fixed deposits and cash pledged</b>	<b>2,757</b>	<b>1,550</b>
<b>Total cash balance</b>	<b>7,538</b>	<b>6,012</b>

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
2016									
<b>Balance at 1 January 2016</b>	56,107	(3,124)	(30,338)	(1,140)	1,372	13	(30,093)	2,083	24,973
Loss net of tax	-	-	(2,166)	-	-	-	(2,166)	(350)	(2,516)
<b>Other comprehensive income for the period</b>									
Translation of financial statements of foreign subsidiaries	-	-	-	(374)	-	-	(374)	-	(374)
<b>Total comprehensive income for the period</b>	-	-	(2,166)	(374)	-	-	(2,540)	(350)	(2,890)
<b>Balance at 31 March 2016</b>	56,107	(3,124)	(32,504)	(1,514)	1,372	13	(32,633)	1,733	22,083

<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
2015									
<b>Balance at 1 January 2015</b>	46,530	(3,124)	(19,535)	(1,894)	1,372	10	(20,047)	2,103	25,462
Loss net of tax	-	-	(2,107)	-	-	-	(2,107)	(144)	(2,251)
<b>Other comprehensive income for the period</b>									
Translation of financial statements of foreign subsidiaries	-	-	-	454	-	-	454	(4)	450
<b>Total comprehensive income for the period</b>	-	-	(2,107)	454	-	-	(1,653)	(148)	(1,801)
<b>Changes in ownership interests in subsidiaries</b>									
Capital injection by non-controlling interests	-	-	-	-	-	-	-	270	270
<b>Contributions by and distributions to owners</b>									
Grant of equity-settled share option to employee	-	-	-	-	-	1	1	-	1
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-	1	1	270	271
<b>Balance at 31 March 2015</b>	46,530	(3,124)	(21,642)	(1,440)	1,372	11	(21,699)	2,225	23,932

<u>Company</u> 2016	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
<b>Balance at 1 January 2016</b>	56,107	(3,124)	(34,676)	13	(34,663)	18,320
Loss net of tax	-	-	(1,209)	-	(1,209)	(1,209)
<b>Total comprehensive income for the period</b>	-	-	(1,209)	-	(1,209)	(1,209)
<b>Balance at 31 March 2016</b>	56,107	(3,124)	(35,885)	13	(35,872)	17,111

<u>Company</u> 2015	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
<b>Balance at 1 January 2015</b>	46,530	(3,124)	(27,326)	10	(27,316)	16,090
Loss net of tax	-	-	(2,135)	-	(2,135)	(2,135)
<b>Total comprehensive income for the period</b>	-	-	(2,135)	-	(2,135)	(2,135)
<b><u>Contribution by and distributions to owners</u></b>						
Grant of equity-settled share option to employee	-	-	-	1	1	1
<b>Total contribution by and distributions to owners</b>	-	-	-	1	1	1
<b>Balance at 31 March 2015</b>	46,530	(3,124)	(29,461)	11	(29,450)	13,956

**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 also 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, 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.**

Details of any changes in the Group's issued share capital		Number of Ordinary Shares	Paid-up Capital S\$
As at 1 January 2016 and 31 March 2016	Issued and fully paid ordinary shares at beginning of financial period	350,588,286	52,982,868

**Note : There were 10,646,000 Treasury Shares as at 31 March 2016 and 31 March 2015.**

The number of shares that may be issued on conversion of all outstanding options granted pursuant to the Employees' Share Option Scheme amounted to 300,000 as at 31 March 2016 and 31 March 2015.

As at 31 March 2016, there are 29,507,535 Tranche 2 warrants in issue. Each warrant confers upon the warrant holder the right to subscribe in cash, one new share at an exercise price of S\$0.273 for Tranche 2.

Tranche 2 warrants will expire on 15 July 2016.

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
	31/03/2016	30/09/2015
Total number of issued shares excluding treasury shares	350,588,286	350,577,036

**1(d)(iv) A statement showing all sales, transfers, disposal, 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.

**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 2015. 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.**

	<b>GROUP</b>	
Loss per Ordinary Share for the full-year based on net profit attributable to shareholders:-	Jan 2016 to Mar 2016	Jan 2015 to Mar 2015
(i) Based on the weighted average number of ordinary shares on issue	(0.62) cts	(0.68) cts
(ii) On a fully diluted basis	(0.62) cts	(0.68) cts

The basic loss per share (LPS) is computed based on the weighted average number of shares in issue of 350,588,286 during this period (2QFY2015: 310,577,036).

The financial effect of share options and warrants 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.**

	<b>GROUP</b>	
	As at 31 March 2016	As at 30 September 2015
Net Asset Value per Ordinary Share based on issued share capital	5.80 cts	7.01 cts

  

	<b>COMPANY</b>	
	As at 31 March 2016	As at 30 September 2015
Net Asset Value per Ordinary Share based on issued share capital	4.88 cts	5.48 cts

The Net Assets Value per Ordinary Share is computed on the number of 350,588,286 shares in issue as at 31 March 2016 and 350,577,036 shares in issue as at 30 September 2015.

**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 21.1% (S\$4.4 million) to S\$25.6 million for the financial period under review when compared to S\$21.2 million in the corresponding financial period in FY2015.

The increase in the Group's revenue was mainly due to the following:

1. The revenue from online B2B (TAcetre.com) business increased by 130.8% (S\$5.2 million) from S\$4.0 million in FY2015 to S\$9.2 million in FY2016;
2. The revenue from Group's online China outbound business increased by 12.3% (S\$0.5 million) from S\$4.0 million in FY2015 to S\$4.5 million in FY2016.

The increase in the Group's revenue was mainly contributed by its B2B business. The Group's B2B platform, TAcetre.com is a major player in the online B2B channel in China and S.E.Asian markets with substantial marketing, service and support team. TAcetre.com has over 15,000 travel agents using its platform. With the scale up of its bulk purchase program to position itself as the lowest cost supplier, this division can be expected to experience exponential growth going forward.

The Group's expenses which include salaries and employee benefits and other operating expenses decreased by 5.0% (S\$0.1 million) and 6.3% (S\$0.2 million) respectively. This reduction is part of the Group's effort to improve the efficiency of its business processes while it significantly scales up its revenue.

**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.**

In the past few years, the Group invested substantial resources, efforts and management time to develop and position itself as a multi-product, multi-platform and multi-channel online travel reservation group with deep product penetration in all major S.E.Asian destinations. The Group has established strong marketing, operational presence and infrastructure in PRC and all S.E. Asian markets.

With the completion of the share placement of S\$100 million expected by end May 2016, the Group will immediately deploy the bulk of the fund to increase spending on 2 key tested programs, Advertising and Promotion ("A&P") activities and bulk purchases of hotel rooms and other travel related inventories. These 2 programs have been planned and tested over the years. The significant scale up will effectively monetize the investment made on its multi-product, multi-platform and multi-channel online distribution to drive its turnaround and profitability. The increase in bulk purchase will enable it to secure inventories at an average of 30% below the best wholesales rates in the market and position the Group as the lowest product cost supplier. The increase in A&P spending activities will significantly expand its branding, extend its reach and gain new customers. In the past few years, the Group's A&P spending has achieved revenue of S\$10 for every S\$1 spend to secure a booking.

With these 2 key programs underpinning its growth strategies, the Group can expect to significantly scale up its business volume and revenue across all 3 channels, B2C (selling to consumers via Asiatravel.com), B2B (selling to the travel agencies segment via TAcetre.com) and B2B2C (selling to staff leisure and business travel via Saviost.com).

In 2015, the number of China outbound travelers clocked an impressive 128 million and is projected to reach 200 million by year 2020. The Group is well positioned to capture the fast growing travel market in China especially to S.E Asia destinations. The \$100 million expected to be raised by end May 2016 is significantly larger than the Group market capitalization. The Group believes that with the expected exponential revenue growth and strengthened balance sheet, these will place the Group in a strong position to explore various corporate activities and to raise further funds through financial instruments such as non- convertible bonds.

The Group believes that with the new fund underpinning its growth strategies, the Group will be able to work towards a turnaround in profitability. With various corporate activities and increase funding, the Group will be a major online player and benefit significantly in the fast growing travel industry in China.

**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 8 April 2015 relating to the completion of the placement, the Company wish to provide an update on the utilisation of the net proceeds from the placement of approximately S\$9,575,000.

As per the announcement on 13 February 2016, the balance of the net proceeds of the placement as at 31 December 2015 was S\$4,000,000. The Company has utilised S\$1,100,000 for its general working capital which is in line with the intended use of the net proceeds stated in the Announcement made on 23 October 2014. Subsequent to the aforementioned, the remaining balance of the net proceeds amounts to approximately S\$2,900,000 in the Company's current account.

15. 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 31 March 2016 to be false or misleading in any material aspect.

16. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Boh Tuang Poh  
Executive Director  
(13/05/2016)

Heng Su-Ling, Mae  
Independent Director  
(13/05/2016)

*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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