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Asiatravel reports loss for 1QFY2014; Two consecutive corresponding quarters of revenue and room nights growth

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- **The Group's cash position stands at S\$11.14 million is adequate to support its growth and turnaround programs**

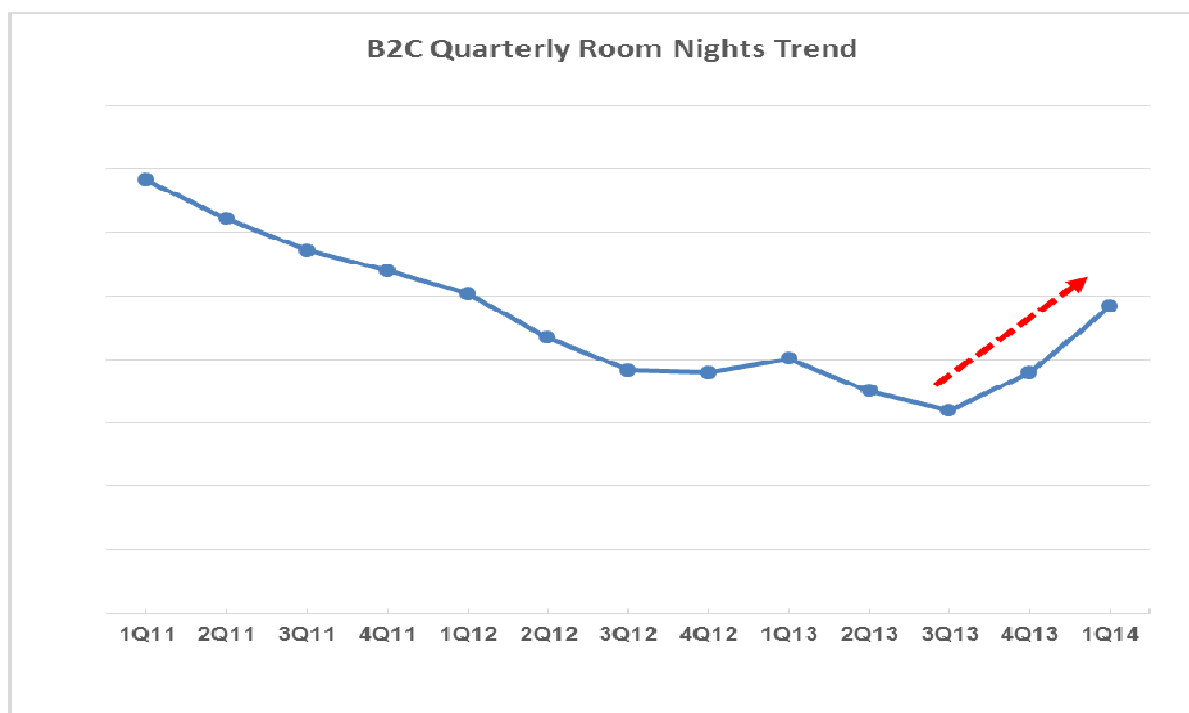
Singapore, 14 February 2014 – Asiatravel.com Holdings Limited (“Asiatravel”, and together with its subsidiaries, “the Group”), a pan-Asia online travel and hotel reservation service provider, today reported a net loss attributable to the owners of the company of S\$1.28 million for financial period ended 31 December 2013 from S\$0.92 million in the corresponding financial period ended 31 December 2012 (“FY2013”).

The Group's revenue increased by 10.1% (S\$2.40 million) to S\$26.00 million for the financial period under review when compared to S\$23.60 million in the previous financial period in FY2013.

The competitive landscape that the Group operates has changed drastically in the last four years with global Online Travel Agencies entering the markets either directly or via acquisitions of other players in the region. We believe we are one of the major, if not, the only independent regional player in Asia (ex-China, India and Japan) markets competing with the global players in the region.

The focus of the global players is mainly in the hotel reservation segment and they are expending huge advertising and branding budget to grab market share. As hotel reservation is our main revenue and profit contributor, our results were significantly impacted. From 1QFY2011, the room nights booked which is the key indicator of our business, began to decline. While we have been embarking on various market strategies to compete, we have not seen significant tractions until the 4QFY2013. The Group has now achieved two consecutive corresponding quarters of revenue and room nights growth with 1QFY2014 reaching the level last seen in 1QFY2012.

The Group has been able to reverse the trend in declining revenue and room nights and the Group is optimistic that the recovering trend will continue going forward, which will drive our turnaround in revenue and profitability. The positive trend is illustrated in the online B2C room nights chart below showing a 20% increase in the number of room nights in the 1QFY2014 as compared to 1QFY2013.



Despite the decrease in revenue of S\$1.44 million in the Group's offline wholesales hotel reservation business, the Group's total revenue in 1QFY2014 grew by 10% as compared to corresponding period in FY2013. This is contributed mainly by the Group's core online B2C hotel reservation business by S\$2.92 million and online B2B (TAcetre.com) business by S\$0.92 million.

The Group will continue to focus on its B2C room nights growth strategy by ramping up marketing activities and advertising on new marketing channels. We are fine tuning our FY2014 S\$20 million budget Advertisement and Promotion program and are about to begin rolling out various campaigns.

While our core online B2C hotel reservation business in Asia is under intense competitive pressure, the Group continues to upgrade its current operational infrastructure, its integrated reservation system and booking engine to offer customers a full spectrum of travel products. The Group will be completing its integration with worldwide hotel partners bringing its total hotel inventory from the current 140,000 to 200,000 hotels and resorts. These will support the launch of our new hotel reservation brand - thehotels.com, to spearhead its worldwide hotel reservation growth.

The [United Nations World Tourism Organization](#) (UNWTO) reported that in 2012 China became the top tourist source market in the world. China leaped to first place, surpassing both top spender Germany and second largest spender United States. The volume of international trips by Chinese travellers grew from 10 million in 2000 to 83 million in 2012, making it the world's fastest-growing market.

Most of the China travellers are travelling on group tours and many on "shopping commission subsidized travel package". The "shopping commission subsidized travel

package model” is now prohibited by a new rule introduced by the China Tourism Authority. With this new rule and the increase in earning spending power of the Chinese travellers, we expect many China travellers will gravitate to buy FIT packages (Free Independent Travellers) rather than on group packages.

The Group is well positioned in the FIT segment and our instant confirmation online Flight Package products (comprising air-ticket, hotel, travel, tours, adventure and attraction component) is a very compelling product ideal for the FIT segment.

The Group is in the process of formulating holistic China outbound strategy with our strategic shareholder, Beijing Tread Outdoor Products Co., Ltd (“Tread”), to roll out an execution plan to target the huge China outbound travel market. The Group has outbound ground presence in five cities in China, namely Guangzhou, Shanghai, Beijing, Chengdu and Nanjing and together with the vast network of Tread in retail and online Travel community space, the Group will be in a strong position to tap the huge and growing China outbound travel market going forward.

Our cash position as at 31 December 2013 stands at S\$11.14 million is adequate to support its growth and turnaround programs.

Barring any unforeseen circumstances, the Group is optimistic that it will be able to sustain the upward trend of increasing its revenue in the coming quarters and working on returning the Group to profitability.

About Asiatravel.com Holdings Ltd -

Asiatravel.com Holdings Limited and its subsidiaries (collectively “Asiatravel” or “Group”) form the largest independent publicly listed pan-Asia online travel reservation service provider. The Group has a wholly owned network of operation and customer service offices in 12 countries - Singapore, Cambodia, China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Thailand, United Arab Emirates (UAE) and Vietnam. It also has partner offices in Japan, Laos, South Korea, the Maldives, Russia and Sri Lanka.

Established in 1995 as an online hotel reservation company, Asiatravel.com was listed on the Singapore Stock Exchange since 2001. The Group’s website Asiatravel.com has a brand presence in over 17 countries and available in 11 languages - English, Traditional & Simplified Chinese, Thai, Bahasa Indonesia, Japanese, Korean, French, German, Spanish and Arabic.

Asiatravel.com offers a reliable One-Stop-Service for travellers to find the best value for their flights, hotel rooms, holiday packages, sightseeing tours as well as theme park tickets. The Group has a selection of over 140,000 hotels and resorts worldwide, promotional airfares for over 400 major airlines and over 600,000 tours and travel packages.

These travel products are available online 24/7 with Real-Time Prices, Instant Confirmation and Last-Minute Availability. Moreover, travellers also enjoy cash rewards the more they book with Asiatravel.com. Asiatravel is the specialist of Asian travel for leisure and corporate travellers and travel agencies. For more details, please visit www.asiatravel.com

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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 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.

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