

**CLARIFICATION ANNOUNCEMENT IN RELATION TO THE PROPOSED PLACEMENT**

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**1. INTRODUCTION**

The Board of Directors (the “**Board**”) of Asiatravel.com Holdings Ltd (the “**Company**”) refers to the article titled “Asiatravel’s ‘greying’ placement deal gets a whitewash” published in The Business Times on 3 September 2016, the article titled “Delay in Asiatravel.com placement plan is cause for concern, says Sias” published in The Straits Times on 6 September 2016, and the article titled “SIAS urges SIC to look into Asiatravel’s delayed placement” published in The Business Times on 6 September 2016 (collectively, the “**Articles**”).

*Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as defined in the Company’s circular to shareholders dated 3 March 2016 and the announcement of the Company dated 10 August 2016 in relation to the New Whitewash Waiver Ruling.*

**2. CLARIFICATION ON THE PROPOSED PLACEMENT**

The Board wishes to clarify that, following the announcement of the proposed conditional general cash offer by Zhonghong Holding Co., Ltd. (“**Zhonghong**”) for all of the issued and paid-up ordinary shares of the Company (the “**Proposed Offer**”), the Company approached Zhonghong to propose the Proposed Placement as it needed to raise funds for its working capital requirements. In view of the Proposed Placement, the board of the directors of Zhonghong had resolved not to proceed with the Proposed Offer.

The Board wishes to clarify that it had sought an extension for the Placee to rely on the Whitewash Resolution at the Placee’s request. As mentioned in the Company’s announcement dated 17 June 2016, a condition of the Whitewash Waiver granted by the Securities Industry Council (the “**SIC**”) is that to rely on the whitewash resolution duly approved by the Independent Shareholders at the EGM to waive their rights to receive a general offer from the Placee and its concert parties (the “**Whitewash Resolution**”), the acquisition of the Placement Shares by the Placee pursuant to the Proposed Placement must be completed within three (3) months of the approval of the Whitewash Resolution (i.e. by 17 June 2016, as the Whitewash Resolution was approved on 18 March 2016). However, the Placee had subsequently informed the Company that the Placee is unable to make payment for the Proposed Placement in one (1) tranche by 17 June 2016 as additional coordination with the State Administration of Foreign Exchange (“**SAFE**”) of the People’s Republic of China (the “**PRC**”) is required for the remittance of monies outside of the PRC, and the Shanghai branch of SAFE has a monthly limit on the amount of monies that Chinese companies may remit outside of the PRC.

In view of the above and due to the quantum of the Placement Consideration amount, the Placee had proposed that the payment of the balance Placement Consideration of S\$91.7 million be paid on or before 31 December 2016 (the “**Extended Completion Date**”), with an option to fully or partially complete the subscription of the balance of 458,500,000 Placement Shares at any time before the Extended Completion Date in one (1) or more tranches. It was on this basis that the Company had made an application to the Securities Industry Council to seek an extension of time to 31 December 2016 for the Placee to rely on the Whitewash Resolution (the “**Waiver Extension**”).

Since the announcement of the Waiver Extension on 17 June 2016, some shareholders had approached the Company to voice their concerns on whether the Placee intends to fulfil its obligations under the Proposed Placement, given that it had been unable to complete the Proposed Placement within the original deadline (for the Proposed Placement to be completed within five (5) business days the satisfaction of all conditions precedent).

In view of shareholders' concerns, the Company has been actively engaging the Placee to obtain more information and clarity on the remittance of monies for the completion of the Proposed Placement. Because of such shareholders' concerns, the Company had also announced the New Whitewash Waiver Ruling later as the Board was still deliberating on whether to proceed with the Proposed Placement, and was also reviewing other fund-raising options and courses of action vis-à-vis the Placee.

The Board further wishes to emphasise that to-date, the Placee and the Placee's indirect holding company, Zhonghong have injected a total of S\$18.3 million into the Company (including S\$10 million from Zhonghong in April 2015), and are now the largest shareholders. The Company needs to strike a balance between preserving its relationship with Zhonghong and the Placee, and pursuing its strict legal rights under the Placement Agreement.

In the interests of its shareholders and with a view to make a decision that will promote the long-term success of the Company, the Company is keeping its options open and has reserved its rights under the Placement Agreement.

The Board will update shareholders in a timely manner in accordance with the Catalist Rules when there are material developments or if a definitive course of action or decision has been made in respect of the Proposed Placement.

### **3. CLARIFICATION ON THE TRANSFER OF SHARES AND SHARE BUYBACKS**

It was stated in the Articles that the Company's Executive Chairman and CEO, Mr. Boh Tuang Poh, had sold 940,000 shares of the Company on 24 August 2016. The Board wishes to clarify that this transfer of shares was a gift to an immediate family member of Mr. Boh Tuang Poh for no consideration.

The Board wishes to emphasise that it has made all the necessary announcements in compliance with the Catalist Rules and the Singapore Code on Take-overs and Mergers.

### **4. CAUTIONARY STATEMENT**

**Shareholders and potential investors should exercise caution when trading in the Shares of the Company. There is no certainty or assurance that the Company will convene the general meeting for Shareholders to vote on the New Whitewash Resolution, or that the Remaining Placement Shares will be allotted and issued to the Placee. The Company will make the necessary announcements as and when there are further material developments on the Proposed Placement in due course and other matters contemplated by this announcement.**

**Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbroker, bank managers, solicitor or other professional advisers if they have any doubt about the actions that they should take.**

### **BY ORDER OF THE BOARD**

Boh Tuang Poh  
Executive Chairman & CEO

6 September 2016

*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:*

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