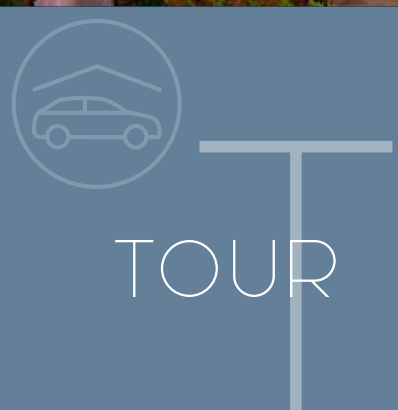
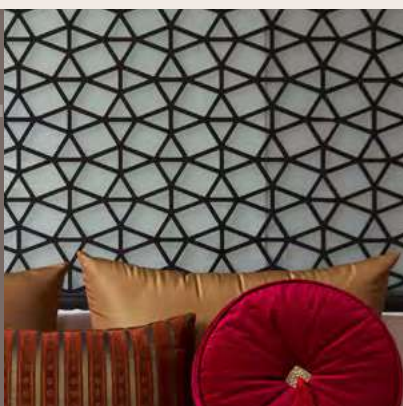




ASIATRAVEL.COM

www.asiatravel.com

FLIGHTS
HOTELS
TOUR PACKAGES



CONTENT



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This document 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 document. This document 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 document.

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



CORPORATE PROFILE

It is Asia's leading online travel company that offers a global inventory of over 8 million travel products through its multi-channel distribution platforms. Its online booking features all-inclusive packages which strongly appeal to travellers seeking convenience, instant confirmation and extra savings. Its ability to provide full suite of travel products establishes its distinctive position in the online travel market.

Most recently in 2018, it launched the world's first augmented reality (AR) - theatrical tour, a concept tour combining AR technology with theatrics. The inaugural destination for this digitised drama tour is Israel while development is underway for various destinations in Asia.

Serving customers worldwide through 13 major language sites, its 19 offices in Asia, Middle East and Europe operate and provide 24 X 7 customer service. With comprehensive ground experience, supplier relationships, proprietary systems and operational knowledge, Asiatravel.com maintains a strong travel brand recognised for its reliability, sincerity and integrity for consumers and partners alike. Its recent award includes the Best Online Travel Agency 2016, for the 4th consecutive year by TTG Travel Awards Asia Pacific.

Established in 1995, it is listed on the Singapore Stock Exchange since 2001. Its B2B division consists of TAcetre.com and Savio-Staff-Travel, serving the travel trade and corporate sectors respectively. For more information please visit www.asiatravel.com

FLIGHTS + HOTELS + TOUR PACKAGES

BOOK TOGETHER & ENJOY UP TO **30%** ADDITIONAL SAVINGS!

BEST PRICE GUARANTEED

On All Hotels. Choice Of Over 200,000 Hotels Worldwide

CHAIRMAN'S STATEMENT

“These corporate actions will stabilize the Group as it undertakes a major restructuring exercise to strengthen its cashflow position, allowing the Group to work towards profitability.”



Dear Shareholders,

Asiatravel.com Holdings Ltd (“Asiatravel”, and together with its subsidiaries, “Group”), recorded revenue growth of 72.7% (S\$71.0 million) to S\$168.6 million for the financial year under review when compared to S\$97.7 million in the financial year ended 30 September 2016.

Our exponential revenue growth is a testimonial that we have the comprehensive ground experience, supplier relationships, proprietary systems, operational knowledge and a strong travel brand for both consumers and trade partners. However, in light of the delay in the completion of the convertible note which affected our funding and cashflow situation, we have undertaken a comprehensive review of our operations. We are undertaking a major restructuring exercise to stem losses, improve cash flow and our reserves and to streamline our operations to focus on profitable business lines.

The Group has since finalised the restructuring exercise to bring down operation costs.





CHAIRMAN'S STATEMENT

GOING FORWARD POST RESTRUCTURING

The Group will focus on 3 main businesses.

1. Online B2C channel: we will focus only on destinations that we have leading and competitive position and for other emerging online markets which we previously had not covered, we will work with strategic partners with sizeable customer base to undertake marketing of our system and inventory.
2. Online B2B business: expand our B2B platform TAcetre.com which already has over 30,000 contracted accounts including some very major online B2C players and wholesalers. Priorities include securing popular products at better rates, expand wider destination coverage of products and penetrating new markets through strategic partnerships.
3. Augmented Reality (AR) Digital Tour: after the recent launch of the World's 1st Augmented Reality & Theatrical Tour to Israel, which received very positive responses, we have commenced development of similar concept tour products in Asian destinations with our technology partner.

FUNDING EXERCISE

While we await the completion of the Convertible Note Agreement from our controlling shareholder, the Group is actively working to secure corporate loan to strengthen our cashflow.

The Group is also in discussions with various parties to raise further capital.

These corporate actions will stabilize the Group as it undertakes a major restructuring exercise to strengthen its cashflow for the next financial year.

IN APPRECIATION

Finally, I would also like to take this opportunity to thank our customers, suppliers and vendors, business partners and associates, employees and key stakeholders for supporting us while we work on our restructuring exercise and various corporate actions to work towards profitability.

BOH TUANG POH
Executive Chairman



BOARD OF DIRECTORS

1 BOH Tuang Poh is our Executive Chairman and Chief Executive Officer and with his vast experience in online businesses, he is responsible for setting corporate policy, directions and business strategy. He founded Asiatravel in 1995. Mr Boh was bestowed "The Tourist Entrepreneur of the Year 2002". Mr Boh is a member of the Company's Nominating Committee.

2 TAN Kheng Lee Arnold is our Independent Director since 2005 and is also the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He is currently a Partner in Rajah & Tann, a law firm in Singapore and practices in the area of corporate and commercial law.

He graduated in 1988 and holds an honours degree in law from the London School of Economics, University of London.

3 GUOK Chin Huat Samuel was appointed as the Company's Non-Executive Independent Director in 15 March 2017. He is also Board member of another 3 listed companies, namely RE&S Holdings Limited, Global Palm Resources Holdings Ltd, Redwood Group Ltd (listed in Taiwan Stock Exchange), and several private limited companies.

He has over thirty years of experience in investment banking, venture capital and property development businesses. He retired as Chairman of Bukit Sembawang Estates Limited on 27 July 2017 after serving for nine years.

Mr. Guok holds a Bachelor of Science degree in Business Administration from Boston University with Major in Finance and International Economics, Minor in Chemistry.

4 LIU Zuming is a Senior Accountant as well as a Certified Public Accountant. Mr. Liu previously served for The Ministry of Railways Qingdao Sifang Locomotive Works as well as Lenovo (Beijing) Co., Ltd. Subsequently Mr. Liu held the posts of Deputy Director of Finance and Chief Financial Officer in Beijing Lian Do Investment (Group) Co., Ltd from June 2004 to February 2010.

Mr. Liu was the Manager of the Financial Department in Zhonghong Holding Co., Ltd from September 2012 to March 2013. Currently Mr. Liu is the member of Board of Directors as well as Chief Financial Officer of Zhonghong Holding Co., Ltd since 28 March 2013.



BOARD OF DIRECTORS

- 5 WANG Yongli** has over 20 years of experience in Merger & Acquisition, Equity Investment and senior management. Currently he is Chief Strategy Officer of Zhonghong Zhuoye Group, responsible for all strategic and overseas businesses

Prior to joining Zhonghong, Mr. Wang was a Managing Director for Rothschild Bank and was the CEO of Lanxess China, Head of Strategy for Bayer APAC, Managing Director of HSBC Investment Bank, and Head of Global Investment and M&A for Sinochem Group.

- 6 TAY Kah Chye** was appointed as Independent Director on 26 April 2018. He is the Executive Chairman of CLMV Consult (Net) Private Limited, a regional consulting company based in Singapore and the Group CEO of Pata Group of Companies.

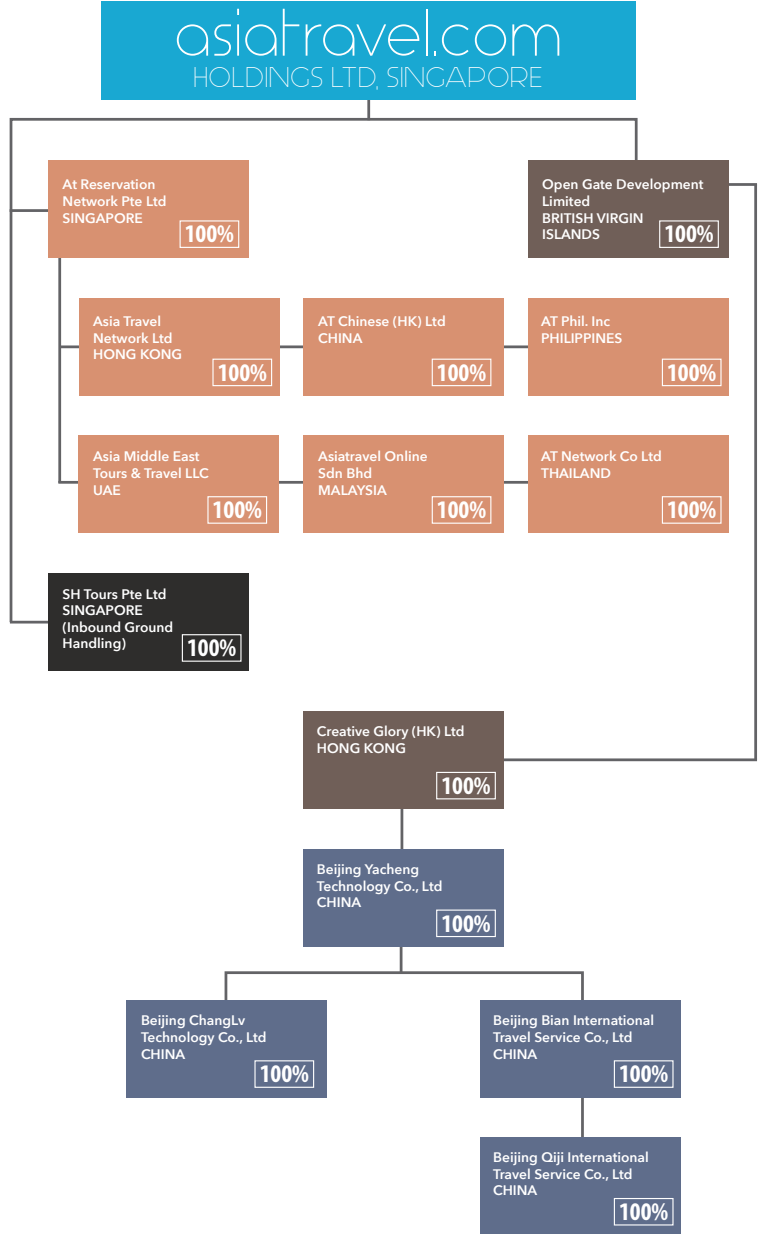
He is a board member of 3 listed companies, Wilmar International Limited, Chemical Industries (FE) Limited and Asiatic Group (Holdings) Limited.

Mr. Tay has more than 30 years of banking experience. He was with Citibank Singapore from 1973 to 1991 and ASEAN Finance Corporation Limited from 1991 to 2006.

He was the Honorary Secretary General of ASEAN Bankers Association from 1991 to 2006 and Honorary Advisor from 2008 to 2010. Mr. Tay graduated with a Bachelor of Social Sciences (Economics) from the then University of Singapore.



CORPORATE ORGANISATION CHART



GROUP OF COMPANIES

- Corporate Office ■
- Consumer Online Units ■
- Ground Handling Units ■
- China Outbound Units ■
- Others ■



INDUSTRY ACCOLADES

AWARDS RECEIVED THROUGH THE YEARS ARE A TESTAMENT TO ASIATRavel AND MANAGEMENT'S CONTRIBUTIONS TO THE INDUSTRY.

2013-2017

TTG Travel Award and Best Online Travel Agent Award 2013 - 2017



2014

Best Employer Award 2013 - 2014



2013

Best Employer Award 2013



2012

Business Superbrands Award 2012



Asia's Best Brand Award 2012



Best Employer Award 2012



2011

Singapore Prestige Brand Award Regional Brand 2011



2009-2012

Most Transparent Company Award in the Catalyst category at the SIAS Investors' Choice Awards 2009 - 2012



OPERATION REVIEW



IATA-LICENSED OFFICE

- Singapore
- Hong Kong
 - China
- Thailand
- Philippines

UAE  Dubai

GEOGRAPHICAL MAP OF OFFICE NETWORK



On-the-ground presence with 19 offices in Asia-Pacicc, Middle-East and Europe.

www.asiatravel.com





● Ground Presence ● Partner Office Location ● Own Office Location

OPERATION REVIEW

Established in 1995, it is listed on the Singapore Stock Exchange since 2001. Its B2B division consists of TAcetre.com and Savio-Staff-Travel, serving the travel trade and corporate sectors respectively. For more information please visit www.asiatravel.com



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FINANCIAL REVIEW

The Group has changed its financial year end from 30 September to 31 December. For FY2017, the accounting period is from 1 October 2016 to 31 December 2017 (15 months) as compared to FY2016's accounting period of 1 October 2015 to 30 September 2016 (12 months). Kindly refer to the announcement made on 22 March 2017 for the details of the change in financial year end.



OPERATION REVIEW

The Group's revenue increased by **72.7%** (**S\$71.0 million**) to **S\$168.6 million** for the financial year under review when compared to **S\$97.7 million** in the FY2016.

The increase in the Group's revenue was mainly due to online B2B (TAcetre.com) business which increased by 142.8% (S\$47.6 million) from S\$33.3 million in FY2016 to S\$80.9 million in FY2017. The increase is mainly due to contribution from the PRC market.

The Group's operating expenses have increased in FY2017 as compared to FY2016 mainly due to the extra quarter in FY2017 and the additional business expenses by the Group's China subsidiaries.

The Group's net loss attributable to owners of the Company increased by S\$21.6 million to S\$29.5 million in FY2017 (15 months) as compared to S\$7.9 million in FY2016 (12 months). Included in the increase of net loss attributable to owners of the Company are non-cash impairments, provisions and write offs amounting to S\$13.0 million due to the proposed restructuring exercise as announced on 14 February 2018. The main non-cash impairments, provisions and write off items are as follows:-

- 1) Impairment of motor vehicles of S\$2.6 million;
- 2) Impairment of intangible assets and investments amounting to S\$1.2 million;
- 3) Amortisation of intangible assets amounting to S\$3.9 million;
- 4) Provision for unrealised exchange loss of S\$0.9 million;
- 5) Allowance for doubtful debt of S\$2.8 million.

The net loss attributable to owners of the Company would have amounted to S\$16.5 million as the above impairments, provisions and write-offs are one-off and/or non-cash expenses. This is only for illustrative purposes assuming that there were no impairments, provisions and write-offs.

The Group's intangible assets increased by 42.9% (S\$3.3 million) from S\$7.7 million in FY2016 to S\$11.1 million in FY2017 mainly due to the software development costs in the China subsidiaries.

The Group's property, plant and equipment decreased by S\$3.4 million from S\$4.9 million to S\$1.5 million mainly due to the impairment of the Group's fleet of coaches.

The Group's inventories decreased by S\$2.6 million from S\$4.2 million to S\$1.6 million mainly due to slow down in bulk purchase of travel products for reselling.



OPERATION REVIEW

BUSINESS REVIEW

The Group has conducted a comprehensive review of its operations and is undertaking a major restructuring exercise to stem losses, improve cash flow and its reserve and to streamline its operations to focus on profitable business lines.

These corporate actions will stabilize the Group as it undertakes a major restructuring exercise to strengthen its cashflow position, allowing the Group to work towards profitability. The Group has since finalised the restructuring exercise to bring down operation costs.

The Group has completed a placement on 6 April 2018 of S\$1 million from its AR Digital Tour technology partner and will be using this fund to launch AR digital tour products as announced previously.

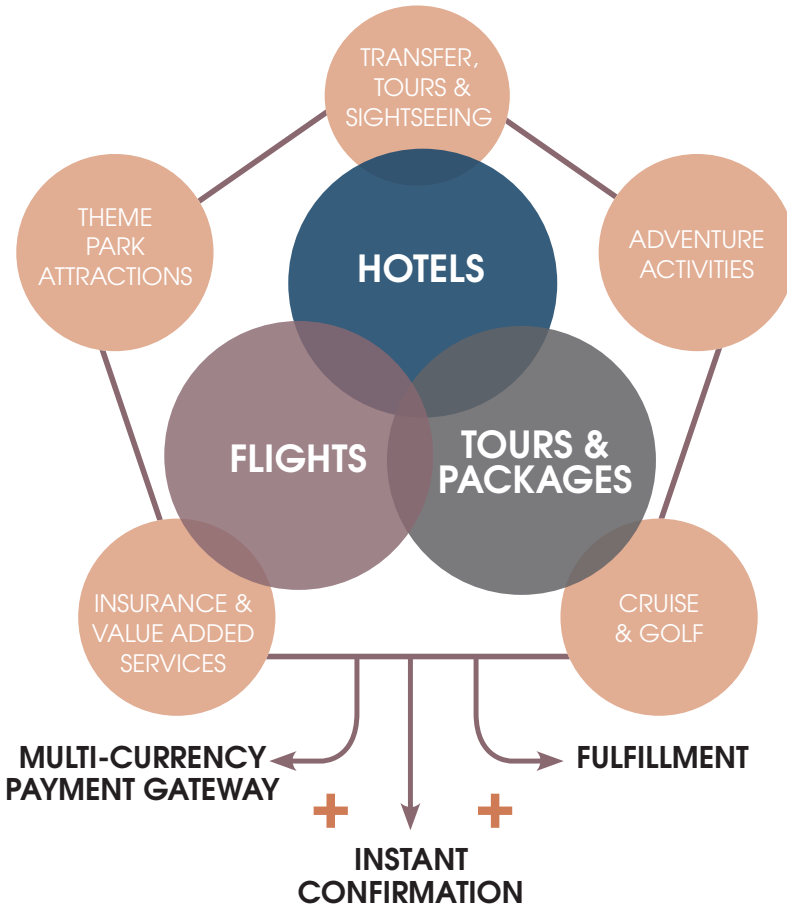
The Group is currently working on securing a corporate loan while awaiting for the completion of the Convertible Note Agreement from its controlling shareholder.

In addition to the above 2 funding actions, the Group is in discussions with other parties on raising further capital.



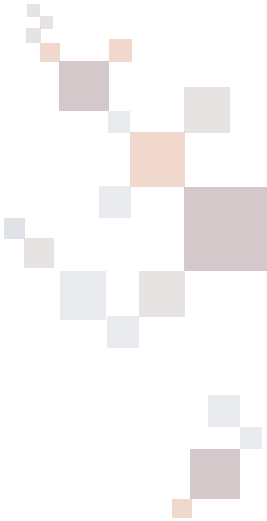


OPERATION REVIEW



Asiatravel.com has three core products of Flights, Hotels, and Tours & Packages, which can be combined in any way to satisfy our customers' needs. In addition, the company offers sightseeing tours, insurance, golf, cruise and other value added services. These products and services are available with multi-currency payment options and instant confirmation.

OUR KEY STRENGTHS



**MULTI-PRODUCT
MULTI-PLATFORM
MULTI-DISTRIBUTION CHANNEL**

Asiatravel.com



B2C

B2B

- Online Consumers
- Hotel & Affiliates Websites
- Bank & Redemption Programs

- Wholesaling Network
- Travel Agencies Websites
- Corporate Services



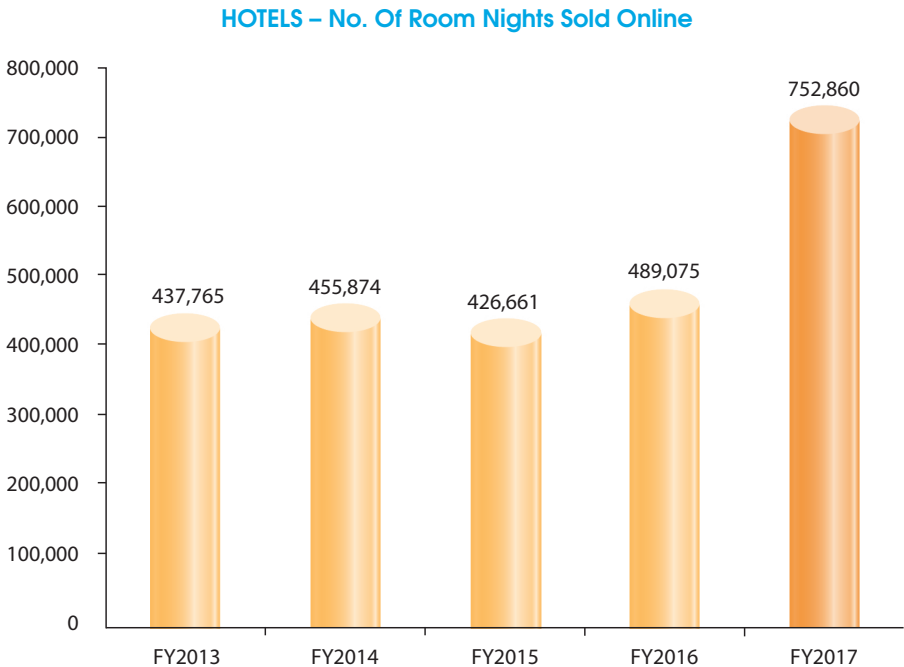
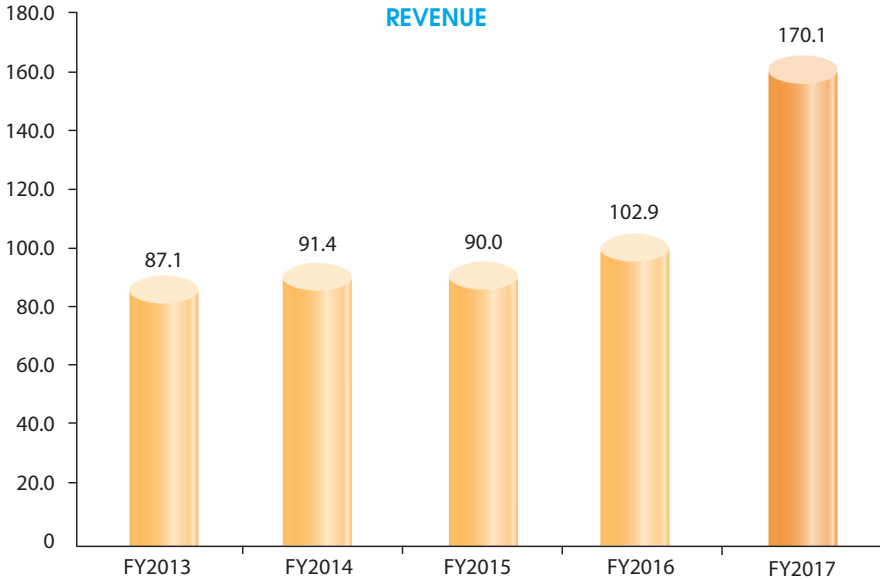
FIVE YEAR FINANCIAL SUMMARY

(in S\$ million except per share data)

FISCAL YEAR	FY2013 (END SEP)	FY2014 (END SEP)	FY2015 (END SEP)	FY2016 (END SEP)	FY2017 (END DEC)
INCOME STATEMENT					
Revenue	87.1	91.4	90.0	102.9	170.1
Profit Attributable to Equity Holders	-5.7	-9.6	-10.8	-7.9	-29.5
Basic EPS (cents)	-2.4	-3.4	-3.3	-2.3	-6.9
Diluted EPS (cents)	-2.4	-3.4	-3.3	-2.3	-6.9
BALANCE SHEET					
Cash and Cash Equivalents	3.9	5.5	6.1	3.9	1.6
Shareholders' Equity	19.4	24.4	24.7	23.0	5.1
Total Assets	39.1	40.3	43.2	43.5	25.9
TRAVEL PRODUCT ONLINE SALES PERFORMANCE					
Hotel - Number of Room Nights	437,765	455,874	426,661	489,075	752,860
Flights - Number of Air Tickets	23,092	25,490	19,745	15,821	12,310
Tours & Packages - Number of Pax	240,513	285,917	312,396	329,087	574,850



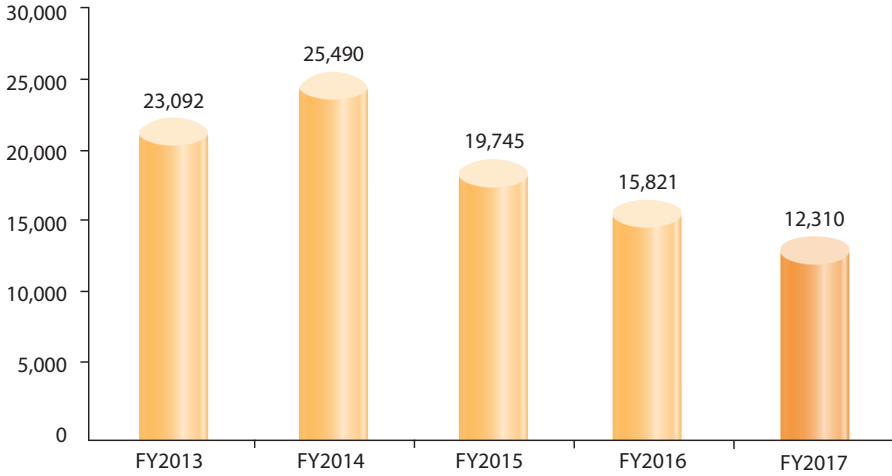
TRAVEL PRODUCT PERFORMANCE



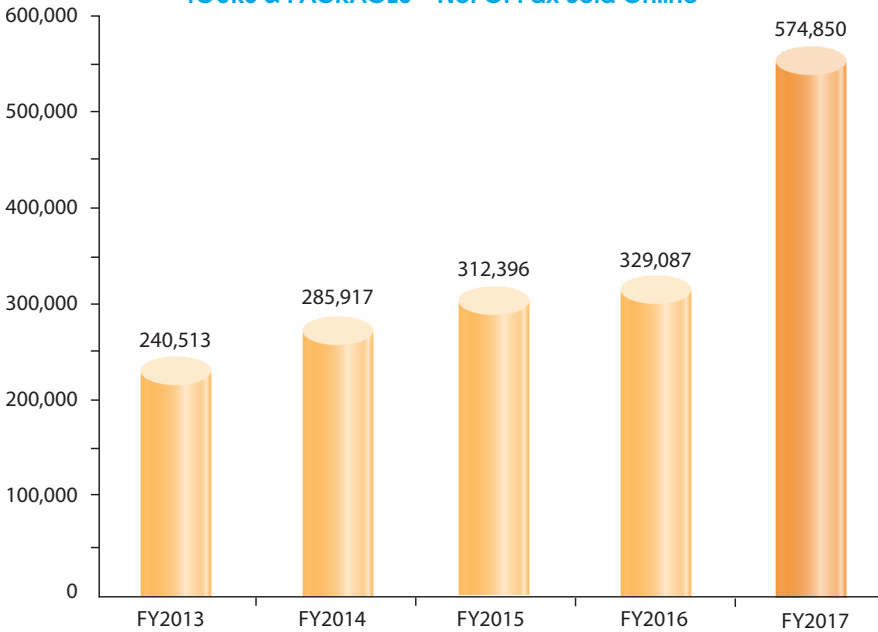


TRAVEL PRODUCT PERFORMANCE

FLIGHTS - No. Of Air Tickets Sold Online



TOURS & PACKAGES – No. Of Pax Sold Online



GLOBAL NETWORK

SINGAPORE CORPORATE OFFICE:

Asiatravel.com Holdings Ltd

615 Lorong 4 Toa Payoh
#01-01 Storhub
Singapore 319516
Tel : (65) 6732 6773
Fax : (65) 6732 1226

SINGAPORE MAIN RESERVATION OFFICE:

AT Reservation Network Pte Ltd

615 Lorong 4 Toa Payoh
#01-01 Storhub
Singapore 319516
Tel : (65) 6235 2498, 6887 4347
Fax : (65) 6235 7620

SINGAPORE TOUR DIVISION:

SH Tours Pte Ltd

615 Lorong 4 Toa Payoh
#01-01 Storhub
Singapore 319516
Tel : (65) 6734 9923
Fax : (65) 6738 7955

HONG KONG:

Asia Travel Network Ltd

Rm A, 4/F, Milton Mansion
96 Nathan Road
Tsim Sha Tsui, Kowloon
Tel : (852) 2736 0922
Fax : (852) 2405 0922

DUBAI:

Asia Middle East Tours and Travel LLC.

Unit 701 Al Zarooni Bldg, Al Rigga Road, Deira
PO Box 112758 Dubai, United Arab Emirates
Tel. No: (+971 4) 250-2250
Fax No: (+971 4) 250-2252

THAILAND:

AT Network Co. Ltd.

Lumpini Tower, 1168/89 30th Floor
Rama 4 Road, Tungmahamek
Sathorn Bangkok 10120
Thailand
Tel (6 lines) : (662) 677 6240-5
Fax (2 lines) : (662) 677 6246-7

MALAYSIA:

Asiatravel Online Sdn Bhd

Patent House
148-03, 3rd Floor
Jln Bukit Bintang
55100 Kuala Lumpur
Tel : 603 - 2143 6555
Fax : 603 - 2143 6558

PHILIPPINES:

AT Phil., Inc

G/F, Edgardo Angara Wing
IBP Bldg., Jade Street, Ortigas Center
Pasig City, Metro Manila 1605 Philippines
Tel : (632) 634-4220/40/60, (632) 635-5099
Fax : (632) 635-6699, 910-4206

PHILIPPINES - CEBU BRANCH:

Lobby, Waterfront Airport Hotel
1 Airport Road, Lapu-Lapu City
Cebu, Philippines
Tel : (6332) 341-20-35
Fax : (6332) 341-20-36



GLOBAL NETWORK

CHINA:

Beijing Yacheng Technology Co.,Ltd

3rd Floor, Building #32
Fei Zhong Xin
1st Street, WuliqiaoRoad
Chaoyang District
Beijing, China
Tel : +86 10 58535288
Fax : +86 10 58535502

Beijing Changlv Technology Co., Ltd

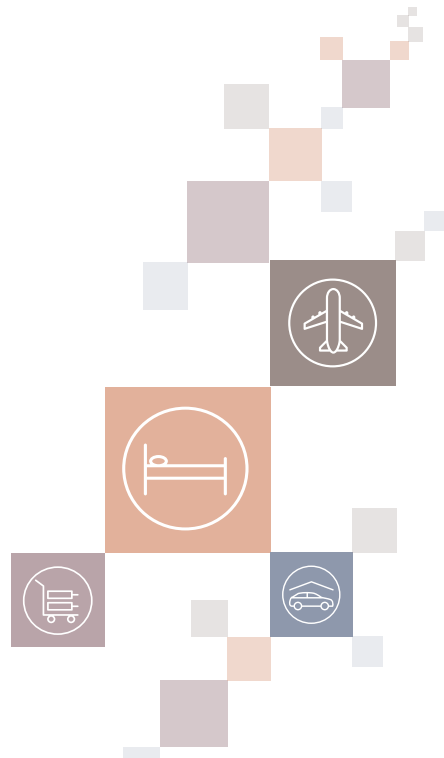
3rd Floor, Building #32
Fei Zhong Xin
1st Street, WuliqiaoRoad
Chaoyang District
Beijing, China
Tel : +86 10 58535288
Fax : +86 10 58535502

Beijing Bi An International Travel Service Co., Ltd

3rd Floor, Building #32
Fei Zhong Xin,
1st Street, WuliqiaoRoad
Chaoyang District
Beijing, China
Tel : +86 10 58535288
Fax : +86 10 58535502

Beijing Qiji International Travel Service Co., Ltd

3rd Floor, Building #32
Fei Zhong Xin
1st Street, WuliqiaoRoad
Chaoyang District
Beijing, China
Tel : +86 10 58535288
Fax : +86 10 58535502



MANAGEMENT TEAM

Ang Yen Leng, Chelyn

- Chief Financial Officer

Yeo Wee Khim, Lisa

- Executive Vice President, Group Operations

Nicolas J. Rocha

- Executive Vice President for Philippines, Thailand and Hong Kong

Fred Seow

- Chief Executive Officer - B2B

David Boh

- Senior Vice President, China Operations

Francis R. Asuncion

- Assistant Vice President, Thailand

Duangrat Huayhongthong

- General Manager, Thailand

Francis Lee

- Assistant General Manager, Singapore and Malaysia

Amelou Villamanto Flores

- Assistant General Manager, Middle-East





CORPORATE INFORMATION

DIRECTORS

Boh Tuang Poh	(Executive Chairman and Chief Executive Officer)
Tay Kah Chye	(Lead Independent Director)
Tan Kheng Lee Arnold	(Independent Director)
Samuel Guok Chin Huat	(Independent Director)
Liu Zuming	(Non-Executive Director)
Wang Yongli	(Non-Executive Director)

AUDIT COMMITTEE

Tay Kah Chye	(Chairman)
Tan Kheng Lee Arnold	
Samuel Guok Chin Huat	
Liu Zuming	

REMUNERATION COMMITTEE

Samuel Guok Chin Huat	(Chairman)
Tay Kah Chye	
Tan Kheng Lee Arnold	
Wang Yongli	

NOMINATING COMMITTEE

Tan Kheng Lee Arnold	(Chairman)
Boh Tuang Poh	
Tay Kah Chye	
Samuel Guok Chin Huat	
Liu Zuming	
Wang Yongli	

COMPANY SECRETARY

Shirley Tan Sey Liy (ACS)

REGISTERED OFFICE

11 Lorong 3 Toa Payoh #04-18 Block B Jackson Square Singapore 319579
Telephone : 6732 6773, Fax : 6732 1226, E-mail : info@asiatravel.com

REGISTRAR AND SHARE TRANSFER OFFICE

RHT Corporate Advisory Pte. Ltd.

9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619

AUDITORS

Ernst & Young LLP

One Raffles Quay, North Tower, Level 18 Singapore 048583

PARTNER IN CHARGE

Ng Boon Heng

(Date of appointment : since financial year ended 30 September 2016)

BANKERS

Citibank N.A.

United Overseas Bank Limited

Oversea-Chinese Banking Corporation Limited

SPONSOR

RHT Capital Pte. Ltd.

9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619





ABOUT BUSUANGA BAY LODGE

Busuanga Bay Lodge is an elegant, boutique, resort hotel located on the island province of Palawan, a nature sanctuary known all over the world as the Philippines's last ecological frontier.

Palawan is made up of pristine white beaches, dramatic rock formations, secret coves, rainforests, outstanding dive sites, majestic mountains, and caves. It bursts with exotic flora and fauna, and is surrounded by a coral shelf that is alive with varied and colorful marine life.



Sitio Lawi, Barangay Concepcion, Busuanga Island
Palawan, 5317, Philippines

Reservations:

(+63) 917 895 5754 | (+63) 927 418 3126
(+63) 977 2185076 | (+63) 995 038 8734

Sales & Marketing:

(+63) 995 224 4588 | (+63) 917 811 0706
(+63) 917 311 1220

Reservations@busuangabaylodge.com



The very first 4-star quality serviced apartment hotel in Baguio and Boracay designed to provide value for money vacation accommodations for big groups with its 1, 2 or 3-bedroom apartment suites complete with living, dining and kitchen facilities.


Azalea
Hotels & Residences
BAGUIO • BORACAY

Leonard Wood Loop, Baguio City (across Teacher's Camp)
www.azaleabaguio.com



Escape to the best in relaxed beach living at Savoy Hotel Boracay in Aklan, Philippines.

Located in the newest tourist destination in the island, Boracay Newcoast, a stylish hotel that offers a vibrant and hip beach lifestyle with its expansive stretch of white sand beach with clear blue waters and breathtaking views.

We provide free shuttle service to the D'Mall in Station 2, Boracay's popular and bustling main beach.

SAVOY
HOTEL
BORACAY NEWCOAST

Boracay Reservations
+63 (36) 286 2800 and +(63) 9178284663
reservations.boracay1@savoyhotelboracay.com.ph
info@savoyhotelboracay.com.ph

Manila Reservations
(+63) 2 3188834 to 37 and (+63) 917 8210282
reservations.manila1@savoyhotelboracay.com.ph



ORANGE PEARL
BEACH RESORT
EL NIDO, PALAWAN



WELCOME TO ORANGE PEARL BEACH RESORT

"Located in Corong-Corong, Orange Pearl Beach Resort is a popular choice for travelers who want to relax and bask in the beauty of the ocean with the perfect view of El Nido's sunrise and sunset. From here, guests can enjoy easy access to what the lively town has to offer. For those who want to venture out, Maremegmeng Beach and Dolarog Beach are just some of the endless options to explore.

The accommodation has been carefully appointed to the highest degree of comfort and convenience to exceed the expectations of its guests. In most of the rooms, amenities like air conditioning, balcony/terrace and hot shower are provided. The property also has 24-hour rooms service, Wi-Fi connection in public areas, a restaurant that serves different cuisines and tours to ensure a wonderful stay.

Orange Pearl Beach Resort offers top notch and impeccable service to invigorate travelers.
If you want to have an experience of a lifetime, this is the place for you.

<http://www.orangepearlbeachresort.com/>

Sitio Marimegmeg, Bgy Corong Corong, El Nido, Palawan, Philippines 5313

Tel: +63 917 3280163

E-mail: gentoleoroger@gmail.com



**Best
Western
PLUS[®]
Hotel Subic**

Welcome to Best Western Plus Hotel Subic

The Best Western Plus Hotel Subic is the newest safe haven conveniently located at the heart of Subic Bay Freeport Zone. It is the perfect sanctuary for travelers seeking to experience and explore the main attractions of the city, including Ocean Adventure, Tree Top Adventure, Zoobic Safari, Duty Free Shopping, as well as the night life in Barretto. The minute you step into the luxurious foyer of The Best Western Plus Hotel Subic, expect to be warmly received by our staff who epitomize Filipino hospitality and are dedicated to making your stay as pleasant and as memorable as possible.

Lot C-5B Block C, Dewey Avenue, Subic Bay Free Port Zone Subic Bay, Philippines
Tel. No: (63) 47 250 8000 or (63) 47 251 3775
Mobile No: GLOBE (63)917.774.3604 or SMART (63)998.959.4751
info@bestwesternsubic.com



A solitary escape, a romantic getaway, an exploration of paradise--these are what Boracay West Cove have to offer. You will be welcomed with the seclusion and solitude of the exceptional beauty of Boracay paradise to rekindle the fire of your passion, the ardor of love and the peace of your soul.

Boracay West Cove is the first and only organic architecture in the Philippines. It uses non-disruptive technology in order to preserve the beauty of its environment. In fact, it has its own sea wall that helps prevent erosion during natural disasters. It also has a solar panel for energy provision. In addition, it has a rain garden roof deck water catchment system for plants. Despite the existence of technology, Boracay West Cove takes pride that from its humble beginnings up to now, all trees inherent in the place are preserved.



Boracay West Cove

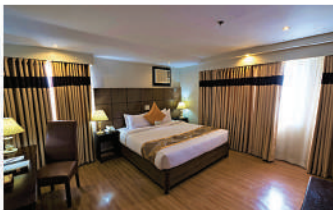
Diniwid Beach, Boracay Island, Malay, Aklan, Philippines 5608

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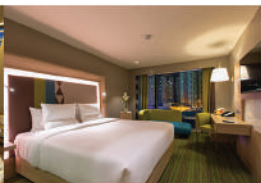
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For inquiries and reservations

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Beachfront



Pool Access Room



Restaurant

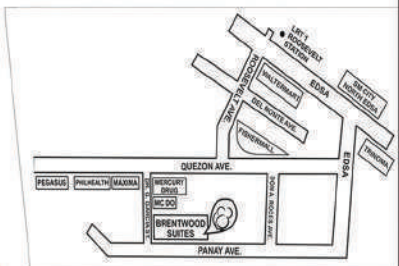
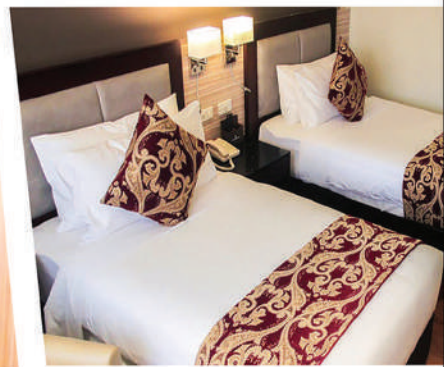


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The Board of Directors (“**Board**” or “**Directors**”) of Asiatravel.com Holdings Ltd (“**Company**” together with its subsidiaries, “**Group**”) is committed to setting and maintaining high standards of corporate governance to ensure greater corporate transparency, accountability, performance and integrity, and at the same time, protect shareholders’ interest and maximize long-term shareholder value.

This report describes the corporate governance framework and practice of the Company with specific reference to the Code of Corporate Governance 2012 (“**Code**”) and applicable to the Company. The Company has complied with the principles of the Code where appropriate. Where there is any material deviation from any principle of the Code, an explanation has been provided accordingly.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Board of the Company is primarily responsible for the protection and enhancement of long-term value and returns for the shareholders and the overall management of the Group.

The Board sets the overall business directions, provides guidance on the Group’s strategic plans, with particular attention paid to the growth and financial performance, and oversees the performance of Management. Additionally, the Board is responsible for decision-making in respect of the following corporate actions:-

- (a) to approve the Board policies, strategies and financial objectives of the Group and monitor the performance of Management;
- (b) to establish goals for Management and monitor the achievement of these goals;
- (c) to provide entrepreneurial leadership, set strategic objectives and ensure that the necessary financial and human resources are in place for the Company to meet its objectives;
- (d) to identify the key stakeholder groups and recognise key perceptions which may affect the Company’s reputation;
- (e) to oversee the processes for evaluating the adequacy of internal controls, risk management, financial reporting and compliance;
- (f) to approve the nomination of Board Directors and appointment of key management personnel;
- (g) to approve major funding proposals, investment and divestment proposals;
- (h) to ensure that the Company meets good corporate governance standards;
- (i) to review the Company’s financial performance and determine the compensation of key management personnel; and
- (j) to set the company’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met.

To facilitate effective management, certain functions of the Board have been delegated by the Board to various Board Committees, namely, the Audit Committee (“**AC**”), the Nominating Committee (“**NC**”) and the Remuneration Committee (“**RC**”), each with its own terms of reference which are reviewed on a regular basis. The Board Committees play an important role in ensuring good corporate governance in the Company and within the Group.

Despite delegating certain functions to the Board Committees, the Directors discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

The Board holds regular scheduled meetings to review the Group's key activities, business strategies, funding decisions, financial performance and to approve the release of financial results of the Group. Ad-hoc meetings are held when circumstances arise to address significant issues or transactions. The Company's Constitution allows meetings to be conducted by way of a telephone conference and/or by means of similar communication equipment where all Directors participating in the meetings are able to hear each other. The Board also approves transactions through circular resolutions which are circulated to the Board together with all relevant information relating to the proposed transactions.

The Board meets at least four times each financial year, with optional meetings scheduled if there are matters requiring the Board's decision at the relevant times. As announced by the Company on 22 March 2017, the Group had changed its financial year end from 30 September to 31 December to improve the management of the Company's internal processes and allow smoother flow of its operations, which will result in better administrative and operational efficiencies. Consequently, this resulted in five (5) Board and Audit Committee meetings being held for the financial period ended 31 December 2017 ("FP2017") instead of the standard four (4) meetings held for a typical financial year. During FP2017, the number of meetings held and attended by each member of the Board and Board Committees are set out as follows:

TYPE OF MEETINGS Names	BOARD		AUDIT COMMITTEE		NOMINATING COMMITTEE		REMUNERATION COMMITTEE	
	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended	No. of Meetings Held	No. of Meetings Attended
Boh Tuang Poh	5	5	5	5*	1	1	1	1*
Heng Su-Ling Mae ⁽¹⁾	5	5	5	5	1	1	1	1
Tan Kheng Lee Arnold	5	5	5	5	1	1	1	1
Guok Chin Huat Samuel ⁽²⁾	5	3	5	3	1	–	1	–
Liu Zuming ⁽²⁾	5	2	5	2	1	–	1	–
Wang Yongli ⁽²⁾	5	1	5	2*	1	–	1	–
Sheng Faqiang ⁽³⁾	5	–	5	–	1	–	1	–
Tay Kah Chye ⁽⁴⁾	5	–	5	–	1	–	1	–

* Attendance by invitation of the relevant Board Committees

Notes:

⁽¹⁾ Ms Heng Su-Ling Mae had resigned as Director on 1 February 2018.

⁽²⁾ Mr Liu Zuming, Mr Wang Yongli and Mr Guok Chin Huat Samuel were appointed as Directors on 15 March 2017.

⁽³⁾ Mr Sheng Faqiang had retired as Director at the AGM held on 25 January 2017.

⁽⁴⁾ Mr Tay Kah Chye was appointed as Director on 26 April 2018.

The Board has adopted a set of internal guidelines setting forth matters that require the Board's approval. Matters which are specifically reserved for the Board's decision are those involving significant acquisitions, disposals and funding proposals, reviewing and approving the Group's corporate policies, monitoring the performance of the Group and transactions relating to investment, funding, legal and corporate secretarial matters.

As part of the training of the Board, Directors are briefed either during Board and Board Committees meetings or at specially convened sessions on the changes in regulations and accounting standards, as well as industry related matters.

The Company encourages the Directors to update themselves on new rules and regulations that would assist them in carrying out their roles. The Company will assist in arranging relevant course and seminars for the Directors' training as and when necessary.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Presently, the Board consists of six (6) Directors, two (2) of whom are Non-Executive Directors and three (3) of whom are Independent Directors.

Executive Director:

Boh Tuang Poh *Executive Chairman and Chief Executive Officer ("CEO")*

Non-Executive and Independent Directors:

Tay Kah Chye	<i>Lead Independent Director (Appointed on 26 April 2018)</i>
Tan Kheng Lee Arnold	<i>Independent Director</i>
Guok Chin Huat Samuel	<i>Independent Director (Appointed on 15 March 2017)</i>
Liu Zuming	<i>Non-Executive Director (Appointed on 15 March 2017)</i>
Wang Yongli	<i>Non-Executive Director (Appointed on 15 March 2017)</i>

The profiles of the Directors are set out on page 4 of this Annual Report.

The Board as a group has core competencies in accounting and finance, management and strategic planning, legal and industry knowledge.

The Board has reviewed its size and is satisfied that the current Board size and composition is appropriate, taking into consideration the nature and scope of the business, as well as the current and future plans of the Group.

The Board comprises three (3) Independent Directors who represent half of the Board. The Independent Directors have confirmed that they do not have any relationship with the Company and/or its related corporations and/or its officers that would interfere, or be reasonably perceived to interfere, with the exercise of their independent business judgement, with a view to the best interests of the Company.

The NC reviews the independence of each Director annually, and as and when circumstances require. The NC adopts the Code's definition of what constitutes an Independent Director in its review and also considers any other salient factors. During FP2017, the NC has reviewed and is of the view that the three (3) Independent Directors are independent.

The Board is aware of Guideline 2.2 of the Code whereby Independent Directors should make up at least half of the Board where the Chairman of the Board is part of the management team. The Board is satisfied that the current Board composition has complied with the Guideline of the Code.

The Non-Executive and Independent Directors constructively challenged and assisted in developing proposals on strategy, reviewed the performance of Management in meeting agreed goals and objectives and monitored the reporting of such performance.

The Non-Executive and Independent Directors meet amongst themselves without the presence of Management when necessary.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executive responsibility for managing the company's business. No one individual should represent a considerable concentration of power.

Mr Boh Tuang Poh is the Executive Chairman and the CEO of the Company. Being the CEO and the most senior executive in the Company, Mr Boh bears executive responsibility for the Group's business on a day-to-day basis. He is also responsible for the following:

- (a) leading the Board to ensure its effectiveness in all aspects of its role;
- (b) ensuring effective communication with shareholders;
- (c) encouraging constructive relations within the Board and between the Board and Management; and
- (d) promoting high standards of corporate governance.

Mr Boh, as Executive Chairman, is responsible for the functions of the Board. He ensures that Board Meetings are held when necessary and sets the agenda of the Board meetings in consultation with the other Directors and Management. The Chairman also reviews the Board papers before presenting to the Board and ensures that the Board members are provided with complete, adequate and timely information.

The Non-Executive and Independent Directors have demonstrated a high degree of commitment in their role as Directors and have ensured that there is a good balance of power and authority in the Board. In this respect, the Board is of the view that there is no need for the role of the Chairman and the CEO to be separated.

In order to ensure good corporate governance practice, the Company has appointed Mr Tay Kah Chye as the Lead Independent Director. The Lead Independent Director will be available to the shareholders where they have concerns which cannot be resolved through the normal channels of the Executive Chairman or the Chief Financial Officer ("CFO"), or where such contact is not possible or inappropriate.

The Non-Executive and Independent Directors, led by the Lead Independent Director, meet amongst themselves without the presence of the other Directors where necessary and the Lead Independent Director will provide feedback to the Executive Chairman after such meetings.

BOARD COMMITTEES**Board Membership**

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Presently, the NC comprises the following six members, three of whom, including the Chairman, are Independent Non-Executive Directors:-

Tan Kheng Lee Arnold	<i>Chairman</i>
Boh Tuang Poh	<i>Member</i>
Tay Kah Chye	<i>Member</i>
Guok Chin Huat Samuel	<i>Member</i>
Liu Zuming	<i>Member</i>
Wang Yongli	<i>Member</i>

The NC is regulated by a set of written Terms of Reference and is responsible for making recommendations to the Board on all Board appointments and re-appointments through a formal and transparent process. In respect of re-nominations, the NC will consider the individual Director's contribution and performance and whether the Director has adequate time and attention to devote to the Company, in the case of Directors with multiple board representations.

The responsibilities and principal functions of the NC, as set out in its Terms of Reference, include:-

- (a) establishing procedures for and making recommendations to the Board on all Board appointments and re-appointments;
- (b) identifying gaps in the mix of skills, experiences and other qualities required in an effective Board and nominate or recommend suitable candidate(s) to fill these gaps;
- (c) reviewing re-nominations, having regard to the Director's contribution and performance;
- (d) deciding whether a Director is able to carry out and has been adequate in carrying out his/her duties as a Director, where he/she has multiple board representations;
- (e) determining on an annual basis whether a Director is independent, based on the Code's guidelines of what constitutes an Independent Director;
- (f) assessing the effectiveness of the Board as a whole and the contributions by each individual Director to the effectiveness of the Board, based on the procedures and objective performance criteria for the evaluation of the Board's performance established by the NC and approved by the Board;
- (g) ensuring that all appointees to the Board undergo appropriate orientation programmes;
- (h) providing training for the Directors and equipping the Directors with the necessary training to ensure that the Directors can discharge their fiduciary duties in an efficient manner; and
- (i) deliberating on the appointment and re-appointment of the Directors.

In determining the independence of the Directors, the NC requires all Directors to complete and return a Confirmation of Independence on an annual basis to the NC for its review.

The NC reviews and assesses candidates for their suitability to serve as Director of the Company before making recommendations to the Board. In recommending new Directors to the Board, the NC takes into consideration the skills and experience and the current composition of the Board, and strives to ensure that the Board has an appropriate balance of Independent Directors as well as Directors with the right profile of expertise, skills, attributes and ability.

Particulars of the Directors such as their present and past three years directorship in other listed companies are set out below:

Name of Director	Appointment	Date of first appointment as a Director	Date of last re-election as a Director	Directorships in other listed companies	
				Current	Past 3 Years
Boh Tuang Poh	Executive Chairman and CEO	1 December 1999	30 January 2015	NIL	NIL
Tay Kah Chye	Lead Independent Director	26 April 2018	NIL	(1) Executive Chairman – CLMV Consult (Net) Private Limited (2) Group CEO – Pata Group (3) Independent Director - Wilmar International Limited, (4) Independent Director – Chemical Industries (FE) Limited (5) Independent Director – Asiatic Group (Holdings) Limited	NIL
Tan Kheng Lee, Arnold	Independent Director	24 January 2005	28 January 2014	NIL	NIL
Guok Chin Huat, Samuel	Independent Director	15 March 2017	NIL	(1) Independent Director – RE&S Holdings Limited (2) Independent Director – Global Palm Resources Holdings Ltd (3) Independent Director – Redwood Group Ltd (listed on Taiwan Stock Exchange)	Bukit Sembawang Estate Ltd
Liu Zuming	Non-Executive Director	15 March 2017	NIL	Zhonghong Holding Co., Ltd	NIL
Wang Yongli	Non-Executive Director	15 March 2017	NIL	NIL	NIL

The NC has reviewed the contribution by each Director taking into account their listed company board representations and other principal commitments. The NC and the Board are of the view that it is not meaningful to set a maximum number of listed company board representations a Director may hold, as long as the Directors are able to devote sufficient time and attention to the affairs of the Company. As such, the Board does not propose to set the maximum number of listed company board representations which Directors may hold until such need arises. Notwithstanding the number of listed company board representations and other principal commitments which some of the Directors are holding, the NC is of the view that sufficient time and attention to the affairs of the Company had been given by these Directors.

In considering whether an Independent Director who has served on the Board beyond nine (9) years remains independent, the Board has taken into consideration factors such as the independent director's understanding of the Group's business, challenges, operations, risk and various compliance requirements of the Group; and constructive views being provided to assist the Executive Chairman in managing the Group. The qualification and expertise of an Independent Director provides an independent check and balance for Management as well as an overall guidance to Management and act as a safeguard for the protection of the Company's assets and shareholders' interest.

In this regard, the NC with the concurrence of the Board, has reviewed the suitability of Mr Tan Kheng Lee Arnold being an Independent Director who has served on the Board for more than nine (9) years and has determined that Mr Tan Kheng Lee Arnold remains independent. He is not involved in the day to day operations of the Company and is holding 840,000 shares which represents approximately 0.19% of the total shareholdings of the Company.

There is no alternate Director being appointed to the Board.

Key information about the Board members, including their principal commitments, are set out on page 41 of this Annual Report.

BOARD PERFORMANCE

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

The NC, in considering the nomination of any Director for re-election, considers the contribution of the Director, which includes his/her qualifications, experience, area of expertise, time and effort devoted to the Company's affairs, attendance and participation at the Board and Board Committees meetings.

The NC acknowledges the importance of a formal assessment of Board performance and has adopted a formal system of evaluating Board performance as a whole. In assessing the Board's performance as a whole, both quantitative and qualitative criteria would be adopted, including return of equity, the success of strategic and long-term objectives set by the Board, the effectiveness of the Board in monitoring Management's performance against the goals that have been set by the Board, attendance record at the Board and Board Committees meetings, intensity of participation at meetings, the quality of interventions, managing risk and adversity, corporate integrity and social responsibility, direction development and management and any special contributions.

The NC had adopted the evaluation form for assessing the effectiveness of the individual Director and Board Committees with effect from FP2017.

An evaluation of the effectiveness of the Board, Board Committees and contribution by each Director is conducted annually to identify areas of improvement and as a form of good Board management practice. The results of the evaluation exercise were considered by the NC which then makes recommendations to the Board aimed at helping the Board discharge its duties more effectively.

The NC, having reviewed the overall performance of the Board, Board Committees and individual Director in terms of its roles and responsibilities and the conduct of its affairs as a whole, is of the view that the performance of the Board had been satisfactory and met its performance objectives for FP2017. No external facilitator was used in the evaluation process.

Each member of the NC shall abstain from participating in the proceedings and making any recommendations in respect of the assessment of his/her performance or re-nomination as Director.

The Board, based on the recommendations of the NC, has ensured that Directors appointed possess the background, experience, knowledge and expertise critical to the Group's business and each Director, through his or her unique contributions, brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made.

Access to Information

Principle 6: In order to fulfill their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

In order to ensure that the Board is able to fulfill its responsibilities, Management circulates information and reports for the Board's review and consideration within a reasonable period prior to the Board meetings and as and when the need arises. Information and reports submitted to the Board are detailed, complete, adequate and include background and justification for each proposal or mandate sought and updates on operational and financial performance of the Group. The Board has separate and independent access to the Company's senior management and Company Secretary at all times.

Should the Directors, whether as a group or individually, require independent professional advice concerning any aspect of the Group's operations and undertakings in order to fulfill their duties and responsibilities as Directors, the Board has a procedure for Directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at the Company's expense.

The Company Secretary or her representative administers, attends and prepares minutes of all Board and Board Committees meetings and is responsible for advising the Board on all governance matters, assisting the Chairman of the Board and/or the Board Committees and ensuring that legal and regulatory requirements as well as Board policies and procedures are complied with so that the Board and Board Committees function effectively.

The appointment and removal of the Company Secretary is subject to the approval of the Board as a whole.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Presently, the RC comprises the following four members, majority of whom, including the Chairman, are Independent Non-Executive Directors:

Guok Chin Huat Samuel	<i>Chairman</i>
Tay Kah Chye	<i>Member</i>
Wang Yongli	<i>Member</i>
Tan Kheng Lee Arnold	<i>Member</i>

The objective of the RC is to provide a formal, transparent and objective procedure for fixing remuneration packages of individual Directors and senior management to ensure that the level of remuneration paid by the Company serves to attract, retain and motivate the employees needed to manage the Company and the Group effectively.

The RC is also responsible for implementing and administering the Asiatravel.com Share Option Scheme 2011 and Asiatravel.com Performance Share Plan (collectively, "**Schemes**"), which give recognition to the contributions made by confirmed full-time employees and Directors.

The RC is regulated by a set of written Terms of Reference and its key functions include:-

- (a) providing a formal, transparent and objective procedure, making recommendations to the Board with regard to the remuneration of Executive Directors and key management personnel and ascertaining that they are fairly remunerated to attract, retain and motivate the employees needed to manage the Company effectively;

- (b) formulating the remuneration framework for Directors and key management personnel, taking into account comparability of standards within the industry and with other companies;
- (c) ensuring that any performance-related element of remuneration incorporate meaningful measures of assessing the Company's performance and the performance of the individual Executive Director and the CEO; and
- (d) implementing and administering the Schemes, and attending to any matters pertaining to the Schemes.

The RC meets at least once a year. In its deliberations, the RC takes into consideration the industry practices and norms for remuneration packages. The RC has full authority to obtain independent professional advice on matters relating to remunerations as and when the need arises at the Company's expense.

No Director is involved in determining his/her own remuneration. All Non-Executive and Independent Directors are paid Directors' fees annually on a standard fee basis.

Each member of the RC abstains from making any recommendation on or voting on any resolutions in respect of his/her own remuneration package, except for providing information and documents specifically requested by the RC to assist it in its deliberations.

The RC reviews the terms and conditions of service agreements of the CEO before their execution. In the course of such review, the RC will consider the Group's obligations arising in the event of termination of Executive Directors and key management personnel, to ensure that the service agreements contain fair and reasonable termination clauses and are not overly generous so as to avoid rewarding poor performance.

None of the Non-Executive and Independent Directors is on a service contract with the Company.

Level and Mix of Remuneration

Principle 8: *The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.*

The RC will determine the remuneration package for Executive Directors based on the performance of the Group and the Directors' fees payable to the Non-Executive and Independent Directors, which will be based on effort, time spent and responsibilities of each individual Director. Thereafter, the Directors' fees are recommended to the Board for recommendation to shareholders for approval at the AGM.

The review of remuneration for the executive officers takes into consideration the performance and contributions of the executive officers to the Company and gives due regard to the financial and business performance of the Group. The Group seeks to offer competitive remuneration to attract, motivate and retain senior management of the required competency to run the Group successfully.

The Company does not use contractual provisions to allow the Group to reclaim incentive components of remuneration from CEO and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The CEO owes a fiduciary duty to the Company and the Company should be able to avail itself to remedies against the CEO in the event of such breach of fiduciary duties.

Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The Company has adopted a remuneration policy for staff comprising a fixed component (in the form of a base salary) and a variable component, which is in the form of a variable bonus linked to the Company's and the individual's performance. Another element of the variable component is the grant of share options to staff under the Scheme.

A breakdown of the remuneration paid to the Directors and top five key management personnel (who are not Directors or the CEO) for FP2017 is appended below.

Number of Directors of the Company in remuneration/fee bands:

Remuneration Bands	2017	2016
S\$500,000 and above	–	–
S\$250,000 to S\$499,999	1	1
Below S\$250,000	3	3
	4	4

Remuneration/fees of Directors for FP2017

Name of Directors	Salary	Directors' Fee	Total
S\$250,000 to S\$499,999 Boh Tuang Poh	100%	NIL	100%
Below S\$250,000 Tan Kheng Lee Arnold	NIL	100%	100%
Heng Su-Ling Mae ⁽¹⁾	NIL	100%	100%
Guok Chin Huat Samuel	NIL	100%	100%
Liu Zuming	NIL	NIL	NIL
Wang Yongli	NIL	NIL	NIL
Tay Kah Chye ⁽²⁾			

Name of participant	Options granted during financial year under review	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate Options outstanding as at end of financial year under review
Directors of the Company: Heng Su-Ling Mae ^{(1) (3)}	840,000	–	–	840,000

Notes:

⁽¹⁾ Ms Heng Su-Ling Mae had resigned as a Director on 1 February 2018.

⁽²⁾ Mr Tay Kah Chye was appointed as Director on 26 April 2018.

⁽³⁾ The options granted to Heng Su-Ling Mae were cancelled on 1 February 2018.

For FP2017, the Company only identified two key management personnel (who are not Directors or the CEO) and the remuneration of the key management personnel is appended below in remuneration/fee bands:

Remuneration Bands	2017	2016
S\$500,000 and above	–	–
S\$250,000 to S\$499,999	2	2
Below S\$250,000	–	–
	2	2

For FP2017, the aggregate total remuneration paid to the key management personnel (who are not Directors or the CEO) amounted to S\$740,616.00.

There were no terminations, retirement or post-employment benefits granted to Directors and key management personnel other than the standard contractual notice period termination payment in lieu of service for FP2017.

Remuneration of Employees Related to Directors or Substantial Shareholders

There is one employee of the Group, Mr Boh Sui Hou, who is the son of Mr. Boh Tuang Poh, the Executive Chairman and CEO of the Group, whose remuneration exceeds S\$50,000 for FP2017.

Details of remuneration paid to the immediate family member of Directors or substantial shareholders for FP2017 are set out below:

Name of Immediate Family Member	Salary	Total
Above S\$200,000 and Below S\$250,000		
Boh Sui Hou	100%	100%

Save for the above, the Company does not have any employee who is an immediate family member of a Director or CEO and whose annual remuneration exceeds S\$50,000 for FP2017.

In view of confidentiality, the Board is of the opinion that it is not in the best interests of the Company to disclose the exact remuneration of the Directors and key management personnel due to its sensitive nature. Similarly, the name and remuneration of the key management personnel (who are not Directors or the CEO of the Company) are not disclosed due to the highly competitive market the Company operates in, and the Company's concern over solicitation of key management personnel by the Company's competitors.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board through its timely release of the Group's quarterly and full year results aims to provide shareholders with a balanced and understandable assessment of the Group's performance, position and prospects. The Board also ensures timely and full disclosures of material corporate developments to shareholders.

Management is accountable for providing the Board with necessary financial information for the discharge of its duties. The Board is provided with the management accounts of the Group's performance and position on a quarterly and full year basis. These enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board is responsible for the governance of risk of the Group and maintains a system of internal controls and risk management to safeguard shareholders' interest and the Group's assets. The Board notes that the system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledges that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities.

Risk

The Company regularly assesses and reviews the Group's business and operational environment in order to identify areas of significant business, financial, operational, information technology, legal and compliance risks, as well as appropriate measures to control and mitigate these risks. The Company is working on putting a formal enterprise risk system in place.

The Board is satisfied with the risk management practice in FP2017 and that risks identified have been adequately addressed by the Group.

Internal Control

Based on the internal controls established and maintained by the Group, work performed by the internal auditors, assurance from Management and reviews performed by the management team, the Board, with the concurrence of the AC, is of the opinion that the Group's internal controls, including the financial, operational, compliance and information technology controls and risk management systems are adequate and effective to meet the needs of the Group for the type and volume of businesses conducted in the current business environment.

For FP2017, the Board has received assurance from the CEO and CFO that:-

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the Company maintains an effective risk management and internal control systems.

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Presently, the AC comprises the following four members, majority of whom, including the Chairman, are Independent Non-Executive Directors:-

Tay Kah Chye	<i>Chairman</i>
Tan Kheng Lee Arnold	<i>Member</i>
Guok Chin Huat Samuel	<i>Member</i>
Liu Zuming	<i>Member</i>

The AC is chaired by Mr Tay Kah Chye, who has over 30 years of experience in banking. He was with Citibank Singapore from 1973 to 1991 and ASEAN Finance Corporation Limited from 1991 to 2006. He was the Honorary Secretary General of ASEAN Bankers Association from 1991 to 2006 and Honorary Advisor from 2008 to 2010. The other AC members have many years of financial accounting, legal and business management experience. The AC is of view that its members have the requisite financial management expertise and experience to discharge the AC's functions in accordance with the Companies Act, Chapter 50, and its Terms of Reference.

The AC's scope of work is governed by written Terms of Reference. Specifically, the AC meets on a periodic basis to perform the following functions:-

- (a) to recommend to the Board the appointment or re-appointment and remuneration of the external auditors of the Company;
- (b) to review with the external and internal auditors their evaluation of the systems of internal accounting controls and monitor Management's response and actions to address noted deficiencies;
- (c) to review the Company's quarterly and full year results announcements, the financial year statements of the Company and the consolidated financial statements of the Group before submission to the Board for approval for release of the results announcements to the Singapore Exchange Securities Trading Limited ("**SGX-ST**");
- (d) to monitor interested person transactions and conflict of interest situations that may arise within the Group including any transaction, procedure or course of action that raises questions of Management integrity;
- (e) to evaluate the cost effectiveness, independence and objectivity of the external auditors and the nature and extent of the non-audit services provided by them;
- (f) to meet with the internal and external auditors, without the presence of Management, at least once annually;
- (g) to review the internal audit programme and the adequacy and effectiveness of internal audit function, as well as to ensure co-ordination between the internal and external auditors and Management;
- (h) to oversee design and implementation of the overall risk management systems and internal control systems (including financial, operational, compliance and information technology controls);
- (i) to approve the hiring, removal, evaluation and compensation of the head of internal audit function, or the auditing firm or corporation to which the internal audit function is outsourced;
- (j) to ensure that the internal audit function is staffed with persons with relevant qualification and experience and that they carry out their functions according to the standards set by nationally or internationally recognised professional bodies, including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors; and
- (k) to review the audit representation letters before consideration by the Board, giving particular consideration to matters that related to non-standard issues.

The AC has full access to and co-operation from Management, full discretion to invite any Director or key management personnel to attend the meetings and has been given reasonable resources to discharge its duties.

In July 2010, the SGX-ST and Accounting and Corporate Regulatory Authority ("**ACRA**") had launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the guidance.

The AC met up with the external auditors and internal auditors separately at least once a year without the presence of Management, in order to have free and unfettered access to information that it may require.

The aggregate amount of fees paid to the external auditors in FP2017 and a breakdown of the fees paid in respect of audit and non-audit services are stated in the notes to the financial statements.

The AC is satisfied that the appointment of external auditors is in compliance with the requirements of Rule 712 of the SGX-ST Listing Manual Section B: Rules of Catalist ("**Rules of Catalist**"). Accordingly, the AC has recommended that Messrs Ernst & Young LLP be nominated for re-appointment as external auditors of the Company at the forthcoming AGM. In recommending the re-appointment of the external auditors, the AC considered the volume of non-audit services provided by the external auditors to the Group, and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors.

In accordance with the requirements of Rule 716 of the Rules of Catalist, the AC and the Board are satisfied that the appointment of different auditors for certain of its subsidiaries would not compromise the standard and effectiveness of the audit of the Group.

Changes to accounting standards and accounting issues which have a direct impact on the financial statements were reported to the AC, and highlighted by the external auditor in their meetings with the AC. No former partner or director of the Company's existing auditing firm has acted as a member of the AC.

Whistleblowing Policy

The Company has implemented a whistleblowing policy, which serves to encourage and provide a channel for employees to report in good faith and in confidence, without fear of reprisals, concerns about possible wrongdoing or breach of applicable laws, regulations, policies or other matters. The objective for such arrangement is to ensure independent investigation of such matters and for appropriate follow-up action. As at the date of this report, there was no report received through the whistle-blowing mechanism.

Internal Audit

Principle 13: The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

The Board recognizes the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Group. The AC is responsible for reviewing the internal audit program and the adequacy of the internal audit function annually, and ensuring co-ordination between the internal auditor, external auditor and Management. The AC ensures that the internal auditor meets or exceeds standards set by nationally or internationally recognised professional bodies. The AC also reviews, evaluates and approves the hiring and removal of its outsourced internal auditor.

The internal audit function of the Group has been outsourced to Wensen Consulting Asia (S) Pte. Ltd. and their primary line of reporting is to the AC. The internal auditor carries out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors.

The objective of the internal audit function is to provide an independent review on the adequacy and effectiveness of the Group's internal controls and provide reasonable assurance to the AC on the Group's controls and governance processes. An annual internal audit plan which entails the review of the effectiveness of the Group's controls has been developed by the internal auditor. The internal audit plan will be approved by the AC and the internal auditor will audit accordingly and report to the AC directly.

The AC meets with the internal auditor separately at least once a year without the presence of Management. The internal auditor is provided with unfettered access to the Group's properties, information and records for performing their internal audit review.

The AC is satisfied that the internal audit function has been adequately resourced, staffed by suitably qualified and experienced professionals with the relevant experiences and has the appropriate standing within the Group.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES

SHAREHOLDER RIGHTS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognize, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

All shareholders are treated fairly and equitably to facilitate their ownership rights. In line with the continuing disclosure obligations of the Company pursuant to the Rules of Catalist and the Companies Act, Chapter 50 of Singapore, the Board's policy is that all shareholders should be regularly informed in a comprehensive manner and on a timely basis of all material developments that impact the Group.

Shareholders are informed of general meetings through the announcements released to the SGXNet and notices contained in the annual report or circulars sent to all shareholders. Shareholders are also informed on the voting procedures at the general meetings. These notices are also advertised in a national newspaper. All shareholders are entitled to attend the general meetings and are provided the opportunity to participate in the general meetings.

Shareholders can vote in person or appoint not more than two proxies to attend and vote on their behalf at general meetings of shareholders.

On 3 January 2016, the legislation was amended, among other things, to allow certain members defined as "Relevant Intermediary" to attend and participate in general meetings without being constrained by the two-proxy requirement. Relevant Intermediary includes corporations holding licenses in providing nominee and custodial services and CPF Board which purchases shares on behalf of CPF investors.

Accordingly, the Company's Constitution does not limit the number of proxies which may be appointed by such relevant intermediaries.

Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Board is mindful of its obligations to provide timely and fair disclosure of material information in line with the Corporate Disclosure Policy to the SGX-ST. The Board's policy is that all shareholders should be equally informed of all major developments that impact the Group in a timely manner. Information provided to the shareholders include:-

- (a) the Group's financial results and any other material information released via SGXNet on a timely basis; and
- (b) copies of annual report(s), circular(s) and the notice(s) of the AGM and/or Extraordinary General Meeting, where applicable, are sent to every shareholder of the Company. The notices of the general meetings are also published in the newspapers and announced via SGXNet.

The Company's website is www.asiatravel.com where shareholders can access financial information, corporate announcements, press releases, annual reports and the profile of the Group.

By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company has a team of investor relations ("IR") personnel who focus on facilitating the communications with all stakeholders, shareholders, analysts and media – on a regular basis, to attend to their queries or concerns as well as to keep the public investors apprised of the Group's corporate developments and financial performance.

The Company does not practice selective disclosure. Price sensitive information is first publicly released through SGXNet, before the Company meets with any investors or analysts. All shareholders of the Company will receive the Annual Report with an accompanying notice of AGM by post. The notice of AGM is also published in the newspaper within the mandatory period, the AGM of which is to be held within four months after the close of the financial year. The Company has submitted applications to the SGX-ST and the ACRA for an extension of time to hold the AGM as the Company was unable to hold its AGM within the mandatory period. The relevant information relating to such applications had been publicly released through SGXNet.

The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Group's earnings, financial position, results or operations, capital needs, plans for expansion, and other factors as the Board may deem appropriate. As the Company has not made profits for FP2017, dividends were not declared or paid for FP2017 in order to conserve cash and to ensure that there are adequate resources for the Company's business.

CONDUCT OF SHAREHOLDER MEETINGS

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The shareholders are encouraged to attend the Company's general meetings to ensure a high level of accountability and to stay informed of the Group's strategies and growth plans. At AGMs, shareholders are given opportunity to express their views and make enquires regarding the operations of the Group. The Board, the various Board Committees and management team are present at these meetings to address any questions that shareholders may have concerning the Company. The external auditor is also present to answer any relevant shareholders' queries.

The Company maintains separate resolutions at general meetings on each substantially separate issue and agrees to the Code's recommendation that companies avoid 'bundling' resolutions unless the resolutions are interdependent and linked so as to form one significant proposal. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable the shareholders to understand the nature and effect of the proposed resolutions. The Company will make available minutes of general meetings to shareholders upon their request.

Resolutions are put to vote by poll and the detailed results of each resolution are announced via SGXNet after the general meetings. The Company will adopt electronic polling voting system if necessary.

DEALING IN SECURITIES

In compliance with Rule 1204(19) of the Rules of Catalist, the Company has adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full year financial results, ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider trading laws at all times even when dealing with securities within permitted trading periods or when they are in possession of unpublished price sensitive information. They are not to deal in the Company's securities on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure all transactions with interested persons are reported in a timely manner to the AC and those transactions are conducted on an arm's length basis and are not prejudicial to the interest of shareholders.

Pursuant to Rule 907 of the Rules of Catalist, the aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Rules of Catalist) are as follows:-

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

The Company does not have any shareholders' mandate for interested person transactions.

All interested person transactions are subject to review by the Board and the AC.

MATERIAL CONTRACTS

Save as disclosed in the financial statements, there were no material contracts entered into between the Company and any of its subsidiaries, involving the interests of any Directors or controlling shareholders, which are either subsisting at the end of the financial period ended 31 December 2017 or, if not then subsisting, entered into since the end of the previous financial year.

CATALIST SPONSOR

The Company is currently under the SGX-ST Catalist sponsor supervised regime. The continuing sponsor of the Company is RHT Capital Pte. Ltd. which was appointed on 1 October 2012.

For the purpose of Rule 1204(21) of the Rules of Catalist, there was no non-sponsor fee paid to RHT Capital Pte. Ltd. for FP 2017.



KUALA
LUMPUR

HOTELS



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The directors present their statement to the members together with the audited consolidated financial statements of Asiatravel.com Holdings Ltd (the "**Company**") and its subsidiaries (collectively, the "**Group**") and the balance sheet and statement of changes in equity of the Company for the financial period from 1 October 2016 to 31 December 2017.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheets and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the period from 1 October 2016 to 31 December 2017; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Boh Tuang Poh
Tay Kah Chye
Tan Kheng Lee Arnold
Samuel Guok Chin Huat
Liu Zuming
Wang Yongli

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Except as disclosed in this report, neither at the end of nor at any time during the financial period was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' INTEREST IN SHARES AND DEBENTURES

The following directors, who held office at the end of the financial period, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of Directors	Direct interest		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
The Company Asiatravel.com Holdings Ltd – Ordinary shares				
Boh Tuang Poh	–	–	19,595,426	18,595,426
Tan Kheng Lee Arnold	840,000	840,000	–	–
Tay Kah Chye	–	107,000	–	107,000

DIRECTORS' INTEREST IN SHARES AND DEBENTURES (Cont'd)

There was no change in any of the above-mentioned interests between the end of the financial period and 21 January 2018.

Except as disclosed in this report, no director who held office at the end of the financial period had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial period, or at the end of the financial period.

SHARE PLANS

The Remuneration Committee is responsible for administering the Asiatravel.com Share Option Scheme (the "**Scheme**").

During the financial period, members of the Remuneration Committee are as follows:

Samuel Guok Chin Huat	(Chairman) (Appointed on 26 April 2018)
Tay Kah Chye	(Appointed on 26 April 2018)
Tan Kheng Lee Arnold	
Wang Yongli	(Appointed on 15 March 2017)
Heng Su-Ling Mae	(Chairman) (Resigned on 1 February 2018)
Sheng Faqiang	(Retired on 27 January 2017)

Asiatravel.com Share Option Scheme

The Asiatravel.com Share Option Scheme 2011 ("**2011 Scheme**"), was approved at the Annual General Meeting held on 28 January 2011. The 2011 Scheme is administered by the Remuneration Committee.

At the end of the financial period, share options granted pursuant to the 2011 Scheme in respect of unissued ordinary shares of the Company to the following classes of executives are as follows:

	1.10.2016 to 31.12.2017	30.9.2017
Class of Executives		
Other Executives	300,000	300,000
	300,000	300,000

SHARE PLANS (Cont'd)

Performance Share Plan

Another incentive plan, the Asiatravel.com performance Share Plan ("**Share Plan**"), was also approved at the Annual General Meeting held on 28 January 2011. The Share Plan is administered by the Remuneration Committee.

During the financial period, no performance shares were granted under the Share Plan.

Options granted under the 2011 Scheme to full-time executive employees and directors of the Group are subject to an option period of up to ten years, such period commencing from the date of grant and expiring on the day immediately preceding, up to the tenth anniversary of the date of grant. The options are exercisable on the first anniversary of the date of grant. At the end of the financial period, there were 300,000 unissued ordinary shares of the Company under options as follows:

Date of grant	Balance at beginning of the period	Options granted	Options exercised during the period	Options cancelled during the period	Balance at end of the period	Subscription price	Expiry date
<i>Options granted under the 2011 Scheme</i>							
16 April 2013	300,000	840,000	–	(840,000)	300,000	\$0.205	15 April 2018

During the financial period, there were 300,000 unissued shares of the Company under options.

Subsequent to end of the financial period and up to the date of this report, no option has been exercised.

Statutory and other information regarding the Options:

- (i) The Subscription Price per share shall be determined by the Remuneration Committee at its absolute discretion and fixed by the Remuneration Committee, at a price not exceeding 20% discount on the market value of the shares based on the average of the last dealt price of the share for the five market days prior to the date of grant, as quoted and shown on the daily Financial News published by the SGX-ST, or its nominal value, whichever is higher.
- (ii) Eligible grantees who participate in the Scheme may also be eligible to participate in other share option schemes implemented by the Company or by the Company's subsidiaries if under the rules of that scheme, he is eligible to participate in it.
- (iii) The total number of shares to be issued by the Company in respect of which options are granted under the 2011 Scheme shall not exceed 15% of the total issued share capital of the Company from time to time.
- (iv) The offer of an option to an eligible grantee, if not accepted by him within 30 days from the date of such offer, will lapse. Upon acceptance of the offer, the eligible grantee to whom the option is granted shall pay to the Company a consideration of \$1.

SHARE PLANS (Cont'd)

Except for shares available for issue under the 2011 Scheme as disclosed above,

- (i) during the financial period, there were :
 - (a) no options granted by the Company or its subsidiaries to any person to take up unissued shares in the Company or its subsidiaries;
 - (b) no shares issued by virtue of any exercise of options to take up unissued shares in the Company or its subsidiaries; and
- (ii) as at the end of the financial period, there were no other unissued shares in the Company or its subsidiaries under option.

Since the commencement of the employee share option plans till the end of the financial period:

- No option has been granted to the controlling shareholders of the Company and their associates
- No participant has received 5% or more of the total options available under the plans
- No option has been granted to directors and employees of the holding company and its subsidiaries
- No option that entitles the holder to participate, by virtue of the options, in any share issue of any other corporation has been granted
- No option has been granted at a discount

AUDIT COMMITTEE

The Audit Committee comprises three board members, all of whom are independent, non-executive directors. The members of the Audit Committee during the financial period and at the date of this report are:

Tay Kah Chye	(Chairman) (Appointed on 26 April 2018)
Tan Kheng Lee Arnold	
Samuel Guok Chin Huat	(Independent) (Appointed on 15 March 2017)
Liu Zuming	(Non-Executive Director) (Appointed on 15 March 2017)
Heng Su-Ling Mae	(Chairman) (Resigned on 1 February 2018)
Sheng Faqiang	(Non-Executive Director) (Retired on 27 January 2018)

The Audit Committee held 4 meetings since the last Directors' Report and performed the functions specified in the Singapore Companies Act. The Audit Committee may examine whatever aspects it deems appropriate of the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. It keeps under review the effectiveness of the Company and the Group's system of accounting and internal financial controls, for which the directors are responsible. It also keeps under review the Company's programme to monitor compliance with its legal, regulatory and contractual obligations.

In performing its functions, the Audit Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The Committee met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of accounting and internal financial controls. The Audit Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial period ended 31 December 2017 as well as the external auditor's report thereon.

AUDIT COMMITTEE (Cont'd)

The Audit Committee, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The Audit Committee has also conducted a review of interested person transactions. In addition, the Audit Committee has met with internal and external auditors, without the presence of the Company's management, at least once a period.

The Audit Committee has full access to and co-operation by the Company's management and the internal auditor and has full discretion to invite any director or executive officer to attend its meetings. The auditors have unrestricted access to the Audit Committee. The Audit Committee has reasonable resources to enable it to discharge its functions properly.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

On behalf of the Board of Directors:

Boh Tuang Poh

Director

Tay Kah Chye

Director

Singapore

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.

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 Accounts 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.

Ernst & Young LLP
Public Accountants and
Chartered Accountants

Singapore

3 July 2018

	Note	Group		Company	
		1.10.2016 to 31.12.2017	30.9.2016	1.10.2016 to 31.12.2017	30.9.2016
		\$'000	\$'000	\$'000	\$'000
Non-current assets					
Property, plant and equipment	4	1,459	4,882	263	144
Intangible assets	5	11,089	7,746	4,126	4,317
Investment in subsidiaries	6	-	-	6,402	6,541
Other investments	7	-	85	-	-
Deferred tax assets	8	5	5	-	-
		12,553	12,718	10,791	11,002
Current assets					
Inventories	9	1,589	4,205	-	-
Trade receivables	10	2,310	10,763	1,224	1,195
Prepaid operating expenses		2,715	1,920	332	180
Other receivables	11	3,163	7,887	63	5,308
Amounts due from subsidiaries	12	-	-	19,866	17,957
Fixed deposits and cash pledged	13	1,959	2,066	1,791	1,906
Cash and cash equivalents	13	1,636	3,932	618	1,844
		13,372	30,773	23,894	28,390
Current liabilities					
Trade payables	14	9,259	5,255	46	-
Deferred income	15	4,430	4,380	1,460	260
Other payables	14	10,264	7,836	3,954	2,123
Amounts due to subsidiaries	16	-	-	18,841	15,519
Obligations under finance leases	17	386	966	35	33
Income tax payable		23	24	-	-
		24,362	18,461	24,336	17,935
Net current (liabilities)/assets		(10,990)	12,312	(442)	10,455

	Note	Group		Company	
		1.10.2016 to 31.12.2017	30.9.2016	1.10.2016 to 31.12.2017	30.9.2016
		\$'000	\$'000	\$'000	\$'000
Non-current liabilities					
Obligations under finance leases	17	161	673	88	132
Deferred tax liabilities	8	2	3	-	-
		163	676	88	132
Net assets		1,400	24,354	10,261	21,325
Equity attributable to owners of the Company					
Share capital	18(a)	72,792	64,061	72,792	64,061
Treasury shares	18(b)	(4,199)	(4,133)	(4,199)	(4,133)
Accumulated losses	19(a)	(66,256)	(36,739)	(60,846)	(38,617)
Share-based compensation reserve	19(b)	14	14	14	14
Foreign currency translation reserve	19(c)	(1,108)	(1,537)	-	-
Capital reserve	19(d)	3,872	1,372	2,500	-
		5,115	23,038	10,261	21,325
Non-controlling interests		(3,715)	1,316	-	-
Total equity		1,400	24,354	10,261	21,325

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Note	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Revenue			
Sale of services	20	168,617	97,654
Other items of income			
Other income	21	1,571	5,273
		170,188	102,927
Items of expenses			
Changes in inventories	22	(155,969)	(84,865)
Amortisation of intangible assets	5	(5,020)	(1,361)
Salaries and employee benefits	26	(15,752)	(10,717)
Depreciation of property, plant and equipment	4	(1,348)	(1,031)
Other operating expenses	22	(26,383)	(13,525)
Finance costs	22	(184)	(228)
Loss before tax	22	(34,468)	(8,800)
Income tax expenses	23	(80)	(34)
Loss net of tax		(34,548)	(8,834)
Attributable to:			
Owners of the Company		(29,517)	(7,947)
Non-controlling interests		(5,031)	(887)
		(34,548)	(8,834)
Loss per share attributable to owners of the Company (cents per share)			
– Basic	24	(6.87)	(2.30)
– Diluted	24	(6.87)	(2.30)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Loss net of tax	(34,548)	(8,834)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Translation of financial statements of foreign subsidiaries	429	(529)
Total comprehensive income for the period	(34,119)	(9,363)
Total comprehensive income attributable to:		
Owners of the Company	(29,088)	(8,476)
Non-controlling interests	(5,031)	(887)
	(34,119)	(9,363)

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

	Attributable to the owners of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital Note 18(a) \$'000	Treasury shares Note 18(b) \$'000	Accumulated losses Note 19(a) \$'000	Capital reserve Note 19(d) \$'000	Share-based compensation reserve Note 19(b) \$'000	Foreign currency translation reserve Note 19(c) \$'000	Total reserves \$'000		
Group									
At 1 October 2016	64,061	(4,133)	(36,739)	1,372	14	(1,537)	(36,890)	1,316	24,354
Loss net of tax	-	-	(29,517)	-	-	-	(29,517)	(5,031)	(34,548)
<u>Other comprehensive income for the period</u>									
Translation of financial statements of foreign subsidiaries	-	-	-	-	-	429	429	-	429
Total comprehensive income for the period									
	-	-	(29,517)	-	-	429	(29,088)	(5,031)	(34,119)
<u>Contributions by and distributions to owners</u>									
Proceeds from issuance of new shares	8,731	-	-	-	-	-	-	-	8,731
Non-redeemable convertible notes	-	-	-	2,500	-	-	2,500	-	2,500
Purchase of treasury shares	-	(66)	-	-	-	-	-	-	(66)
Total contributions by and distributions to owners									
	8,731	(66)	-	2,500	-	-	-	-	11,165
Total transactions with owners in their capacity as owners									
	8,731	(66)	-	2,500	-	-	-	-	11,165
At 31 December 2017	72,792	(4,199)	(66,256)	3,872	14	(1,108)	(63,478)	(3,715)	1,400

	Attributable to the owners of the Company							Non-controlling interests \$'000	Total equity \$'000
	Share capital Note 18(a) \$'000	Treasury shares Note 18(b) \$'000	Accumulated losses Note 19(a) \$'000	Capital reserve Note 19(d) \$'000	Share-based compensation reserve Note 19(b) \$'000	Foreign currency translation reserve Note 19(c) \$'000	Total reserves \$'000		
Group									
At 1 October 2015	56,105	(3,124)	(28,792)	1,372	13	(1,008)	(28,415)	2,203	26,769
Loss net of tax	-	-	(7,947)	-	-	-	(7,947)	(887)	(8,834)
Other comprehensive income for the year	-	-	-	-	-	(529)	(529)	-	(529)
Translation of financial statements of foreign subsidiaries	-	-	(7,947)	-	-	(529)	(8,476)	(887)	(9,363)
Total comprehensive income for the year									
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	-
Grant of equity-settled share options to employee	7,956	-	-	-	1	-	1	-	1
Proceeds from issuance of new shares	-	-	-	-	-	-	-	-	7,956
Purchase of treasury shares	-	(1,009)	-	-	-	-	-	-	(1,009)
Total contributions by and distributions to owners	7,956	(1,009)	-	-	1	-	1	-	6,948
Total transactions with owners in their capacity as owners	7,956	(1,009)	-	-	1	-	1	-	6,948
At 30 September 2016	64,061	(4,133)	(36,739)	1,372	14	(1,537)	(36,890)	1,316	24,354

Company	Share capital Note 18(a) \$'000	Treasury shares Note 18(b) \$'000	Accumulated losses Note 19(a) \$'000	Share-based compensation reserve Note 219(b) \$'000	Capital reserve \$'000	Total equity \$'000
At 1 October 2016	64,061	(4,133)	(38,617)	14	-	21,325
Loss for the period	-	-	(22,229)	-	-	(22,229)
Total comprehensive income for the period						
Contributions by and distributions to owners						
Proceeds from issuance of new shares	8,731	-	-	-	-	8,731
Non-redeemable convertible notes	-	-	-	-	2,500	2,500
Purchase of treasury shares	-	(66)	-	-	-	(66)
Total contributions by and distributions to owners	8,731	(66)	-	-	2,500	11,165
Total transactions with owners in their capacity as owners	8,731	(66)	-	-	2,500	11,165
At 31 December 2017	72,792	(4,199)	(60,846)	14	2,500	10,261

	Share capital Note 18(a) \$'000	Treasury shares Note 18(b) \$'000	Accumulated losses Note 19(a) \$'000	Share-based compensation reserve Note 19(b) \$'000	Total equity \$'000
Company					
At 1 October 2015	56,105	(3,124)	(33,777)	13	19,217
Loss for the year	-	-	(4,840)	-	(4,840)
Total comprehensive income for the year	-	-	(4,840)	-	(4,840)
<u>Contributions by and distributions to owners</u>					
Grant of equity-settled share options to employee	-	-	-	1	1
Proceeds from issuance of new shares	7,956	-	-	-	7,956
Purchase of treasury shares	-	(1,009)	-	-	(1,009)
Total contributions by and distributions to owners	7,956	(1,009)	-	1	6,948
Total transactions with owners in their capacity as owners	7,956	(1,009)	-	1	6,948
At 30 September 2016	64,061	(4,133)	(38,617)	14	21,325

	Note	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Cash flows from operating activities			
Loss before tax and non-controlling interests		(34,468)	(8,800)
Adjustments for:			
Depreciation of property, plant and equipment	4	1,348	1,031
Amortisation of intangible assets	5	5,020	1,361
Interest expense	22	184	228
Interest income		(11)	(8)
Loss on disposal of property, plant and equipment, net		105	21
Inventories written down	9	247	9
Bad debts written off	10	10	15
Loss on acquisition of subsidiaries		237	-
Impairment of investment	7	85	-
Allowance for doubtful debt	10	5,572	-
Share based compensation	19(b)	-	1
Impairment of property, plant and equipment	4	2,634	402
Impairment of intangible assets	5	1,089	535
Exchange loss – unrealised	22	920	138
Operating cash flows before changes in working capital		(17,028)	(5,067)
Changes in working capital			
Decrease in inventories		2,369	633
Decrease/(increase) in receivables and prepaid operating expenses		7,559	(5,699)
Increase in payables and deferred income		30	3,548
Increase in net amounts due to related parties		-	7
Cash used in operations		(7,070)	(6,578)
Interest paid		(184)	(228)
Interest received		11	8
Income tax paid		(51)	(38)
Translation adjustment		(292)	(165)
Net cash flows used in operating activities		(7,586)	(7,001)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(658)	(420)
Proceeds on sale of property, plant and equipment		142	-
Addition to intangible assets	5	(5,705)	(1,619)
Acquisition of subsidiary		768	-
Net cash flows used in investing activities		(5,453)	(2,039)
Cash flows from financing activities			
Repayment of obligations under finance leases		(1,092)	(917)
Purchase of treasury shares	18(b)	(66)	(1,009)
Proceeds from issuance of new shares, net of expenses	18(a)	9,222	7,956
Issuance of non-redeemable convertible notes		2,500	-
Decrease in fixed deposits and cash pledged		90	908
Net cash flows generated from financing activities		10,654	6,938
Net decrease in cash and cash equivalents		(2,385)	(2,102)
Effects of exchange rate changes on cash and cash equivalents		89	(40)
Cash and cash equivalents at beginning of period		3,932	6,074
Cash and cash equivalents at end of period	13	1,636	3,932

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

1. CORPORATE INFORMATION

Asiatravel.com Holdings Ltd (the “**Company**”) is a limited liability company incorporated and domiciled in Singapore. The Company is listed on the Catalyst of Singapore Exchange Securities Trading Limited (“**SGX-ST**”).

The registered office and principal place of business of the Company is located at 615 Lorong 4 Toa Payoh, #01-01, Singapore 319516.

The principal activities of the Company are that of an investment holding company, sale of tour packages, provision of internet hotel reservation and other promotion services. The principal activities of the subsidiaries are disclosed in Note 6.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“**FRS**”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars (SGD or \$) and all values are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Going Concern Assumption (cont'd)

- 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.

2.3 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial period except in the current financial period, the Group has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 October 2016. The adoption of these standards did not have any effect on the financial performance of the Group or position of the Group and the Company.

2.4 Standards issued but not yet effective

The Group has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Improvements to FRSs (December 2016)	
– Amendments to FRS 40: Transfers of Investment Property	1 January 2018
Amendments to FRS 102: <i>Classification and Measurement of Share-based Payment Transactions</i>	1 January 2018
FRS 109 <i>Financial Instruments</i>	1 January 2018
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116 <i>Leases</i>	1 January 2019
INT FRS 122 <i>Foreign Currency Transactions and Advance Consideration</i>	1 January 2018
INT FRS 123 <i>Unertainty over Income Tax Treatments</i>	1 January 2019
Amendments to FRS 110 & FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

Except for FRS 109, FRS 115 and FRS 116, the directors expect that the adoption of other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109, FRS 115 and FRS 116 are described below.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 *Standards issued but not yet effective (cont'd)*

FRS 109 Financial Instruments

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group plans to adopt the new standard on the required effective date without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

The Group has performed a preliminary impact assessment of adopting FRS 109 based on currently available information. This assessment may be subject to changes arising from ongoing analysis, until the Group adopts FRS 109 in 2018.

FRS 109 requires the Group and the Company to record expected credit losses on its trade receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on trade receivables. Upon application of the expected credit loss model, the Group expects no material change in loss allowance

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has performed a preliminary impact assessment of adopting FRS 115 based on currently available information. This assessment may be subject to changes arising from ongoing analysis until the Group adopts FRS 115 in 2018.

The Group plans to apply the changes in accounting policies retrospectively to each reporting period presented, using the full retrospective approach. The Group also plans to apply the following practical expedients:

- For completed contracts, the Group plans not to restate completed contracts that begin and end within the same period or are completed contracts at 1 January 2017, and
- For completed contracts that have variable consideration, the Group plans to use the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative period.

The Group is in a business of sale of tour packages, provision of internet hotel reservation and other promotion services. The Group expects the following impact upon adoption of FRS 115:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 *Standards issued but not yet effective (cont'd)*

FRS 115 Revenue from Contracts with Customers (cont'd)

(a) **Classification and measurement**

The Group does not offer customers with trade discounts or volume rebates. On the adoption of FRS 115, the Group expects no adjustment for the financial period ended 31 December 2017.

(b) **Rights of return**

The Group currently does not record a provision for the net margin arising from expected returns. Under FRS 115, the Group will estimate the amount of expected returns in determining the transaction price and recognise revenue based on the amounts to which the Group expects to be entitled through the end of the return period. The Group will recognise the amount of expected returns as a refund liability, representing its obligation to return the customer's consideration. Separately, the Group recognises a related asset for the right to recover the returned goods.

On the adoption of FRS 115, the Group expects to record an adjustment to increase its revenue with a related adjustment to cost of sales for the financial period ended 31 December 2017. In addition, the Group expects to reclassify trade and other payables to contract liabilities relating to refund liability and correspondingly, to reclassify related inventories to contract assets relating to the right to recover products from customers on return.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on balance sheets to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees – leases of 'low value' assets and short-term leases. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the new standard on the required effective date.

2.5 *Basis of consolidation and business combinations*

(a) **Basis of consolidation**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Basis of consolidation and business combinations*

(a) **Basis of consolidation (cont'd)**

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) **Business combinations and goodwill**

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. The accounting policy for goodwill is set out in Note 2.9(a). In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 *Basis of consolidation and business combinations*

(b) **Business combinations and goodwill (cont'd)**

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.6 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.7 *Foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) **Transactions and balances**

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.7 Foreign currency (cont'd)

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Years</u>
Computers	– 3 – 5
Furniture and fittings	– 3 – 10
Office equipment	– 3 – 10
Renovation	– 5
Motor vehicles	– 5 – 17

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial period -end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the period the asset is derecognised.

2.9 Intangible assets

(a) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill has been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in the profit or loss. Impairment losses recognised for goodwill are not reversed in subsequent periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets (cont'd)

(a) Goodwill (cont'd)

Where goodwill forms part of a cash-generating unit and part of the operation within that cash-generating unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the cash-generating unit retained.

Goodwill and fair value adjustments arising on the acquisition of foreign operation on or after 1 January 2005 are treated as assets and liabilities of the foreign operations and are recorded in the functional currency of the foreign operations and translated in accordance with the accounting policy set out in Note 2.7.

Goodwill and fair value adjustments which arose on acquisitions of foreign operation before 1 January 2005 are deemed to be assets and liabilities of the company and are recorded in SGD at the rates prevailing at the date of acquisition.

(b) Other intangible assets

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the period in which expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial period-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.9 Intangible assets (cont'd)

(b) Other intangible assets (cont'd)

(i) Website development and software costs

Website development and software costs are substantially internally developed and measured at cost less accumulated amortisation and any accumulated impairment losses. Website development and software costs incurred in the enhancement of existing website, development of booking engines such as tour packages and air ticketing software and other software related costs are capitalised.

Website development and software costs comprise any directly attributable costs of development activities which include payroll costs, costs of services consumed and other direct costs. Expenditure for additions and improvements are capitalised and expenditure for maintenance are recognised in the profit or loss.

Amortisation of website development and software costs is computed on a straight-line basis over their estimated useful lives of 3 to 5 years.

(ii) Club membership

Club membership relates to golf membership which has indefinite life.

(iii) Contractual and legal rights over audio-visual materials

The Group has contractual rights to utilise 6,849 (30 September 2016: 6,849) hours of audio-visual materials. This is in relation to promotional activities that can be utilised by the Group.

A summary of the policies applied to the Group's intangible assets is as follows:

	Contractual and legal rights over audio visual materials	Club membership	Website development and software costs
<i>Internally generated or acquired</i>	Acquired	Acquired	Acquired and internally developed
<i>Useful lives and amortisation method used</i>	• Finite • Amortised over remaining 20 years on a straight line basis	• Indefinite • No amortisation	• Finite • Amortised over 3 - 5 years on straight line basis
<i>Impairment testing</i>	When an indication of impairment exists	Annually	When an indication of impairment exists
<i>Review of Amortisation Period and Method</i>	Amortisation period and method are reviewed at each financial period-end	Useful life reviewed at each financial period -end	Amortisation period and method are reviewed at each financial period-end

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.11 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.12 *Financial instruments*

(a) **Financial assets**

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

(i) *Loans and receivables*

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(a) **Financial assets (cont'd)**

Subsequent measurement (cont'd)

(ii) *Available-for-sale financial assets*

The Group classifies its other investments as available-for-sale financial assets.

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those, which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

After initial recognition, available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial asset are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the profit or loss.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.12 *Financial instruments (cont'd)*

(b) **Financial liabilities (cont'd)**

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the profit or loss.

2.13 *Impairment of financial assets*

The Group assesses at each reporting period whether there is any objective evidence that a financial asset is impaired.

(a) **Financial assets carried at amortised cost**

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristic and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 *Impairment of financial assets (cont'd)*

(b) **Financial assets carried at cost**

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost had been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) **Available-for-sale financial assets**

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. The determination of what is "significant" or "prolonged" depends on the circumstances at the end of the reporting period. This requires judgement and so it varies among entities.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment loss in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

2.14 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand and demand deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.15 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Inventories comprise admission tickets to various tourist attractions, airtime spots and hotel/resort room nights. Cost is determined on a first-in-first out basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, after making allowance for damaged tickets and expiration of these tickets and room nights.

2.16 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax-rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.17 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.18 *Employee benefits*

(a) **Defined contribution plans**

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) **Employee share option plans**

Employees of the Group receive remuneration in the form of share options as consideration for services rendered. The cost of these equity-settled share based payment transactions with employees is measured by reference to the fair value of the options at the date on which the share options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the share-based compensation reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in "salaries and employee benefits" expense.

The share-based compensation reserve is transferred to retained earnings upon expiry of the share option.

2.19 *Leases*

As lessee

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.20 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements to determine if it is acting as principal or agent and records its revenue accordingly.

The following specific recognition criteria must also be met before revenue is recognised:

(a) Internet hotel reservation service

Revenue from the provision of internet hotel reservation services is recognised once the reservations are fulfilled and no refund is made. Revenue from such services which is collected in advance of the fulfilment is deferred and reflected as deferred income.

(b) Sale of attraction tickets, transportation and tour packages

Revenue from the sale of attraction tickets, transportation and tour packages is recognised as follows:

- (i) attraction tickets – upon the utilisation of the attraction tickets;
- (ii) transportation – upon completion of the transportation services; and
- (iii) tour packages – upon completion of the tour package services.

(c) Sale of air tickets

Sale of air tickets are stated after deducting its cost. It is recognised upon booking of air tickets.

(d) Commission income

Revenue from commission income relates to the provision of internet hotel reservation services, and is recognised once the reservations are fulfilled.

(e) Promotion service

Revenue from the provision of promotion services is recognised when the right to receive payment is established.

(f) Annual website membership fees

Revenue from membership fees from hotels participating in the website membership scheme is recognised based on the period of membership during the financial period. Revenue from such services that is collected in advance of the services being rendered, is deferred and reflected as deferred income.

(g) Interest income

Interest income is recognised using the effective interest method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investment in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.21 Taxes (cont'd)

(b) Deferred tax (cont'd)

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.22 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. These segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are presented in Note 28, including factors used to identify the reportable segments and the measurement basis of segment information.

2.23 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.24 Treasury shares

The Group's own equity instruments, which are reacquired (treasury shares) are recognised at cost and deducted from equity. No gain or loss is recognised in the profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.25 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgment made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgment, apart from those involving estimations, which has the most significant effect on the amounts recognised in the consolidated financial statements:

(a) Income taxes

The Group has exposure to income taxes in numerous jurisdictions. Significant judgment is involved in determining the Group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable, deferred tax assets and deferred tax liabilities at 31 December 2017 was \$23,000, \$5,000 and \$2,000 respectively (30 September 2016: \$24,000, \$5,000 and \$3,000 respectively).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.1 *Judgment made in applying accounting policies (cont'd)*

(b) **Determination of functional currency**

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the entities in the Group, judgment is required to determine the currency that mainly influences sales prices for goods and services of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on management's assessment of the economic environment in which the entities operate and the entities' process of determining sales prices.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) **Impairment of intangible assets**

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transactions of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculations are based on a discounted cash flow model. The cash flows are derived from the budget for the next four periods and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details of the key assumptions applied in the impairment assessment of intangible assets, are disclosed in Note 5.

(b) **Impairment of loans and receivables**

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 30.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONT'D)

3.2 *Key sources of estimation uncertainty (cont'd)*

(c) **Useful lives of property, plant and equipment**

The cost of property, plant and equipment is depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 - 17 years. The carrying amount of the Group's property, plant and equipment at 31 December 2017 was \$1,459,000 (30 September 2016: \$4,882,000). Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

(d) **Useful lives of intangible assets**

The useful lives of intangible assets are assessed as either finite or indefinite.

The cost of website development and software and the contractual and legal rights over audio-visual materials are amortised on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these website development and software costs to be within 3 to 5 years and the contractual and legal rights over audio-visual materials to be 20 years. The carrying amount of the Group's website development and software costs and the contractual and legal rights over audio-visual materials at 31 December 2017 was \$8,968,000 (30 September 2016: \$4,381,000) and \$2,073,000 (30 September 2016: \$2,243,000) respectively. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised.

The useful lives of club membership have been determined to be indefinite.

(e) **Impairment of motor vehicles**

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transactions of similar assets or observable market prices less incremental costs for disposing the asset. The value in use are based on market available information. The recoverable amount is most sensitive to the market factors as well as government regulations. Further details of the key assumptions applied in the impairment assessment of motor vehicles, are disclosed in Note 4.

(f) **Impairment of investments in subsidiaries**

The Company reviews the carrying amounts of investments in subsidiaries for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any indication exists, the Company will perform impairment review by comparing the carrying amount of the cash generating unit ("CGU") with its recoverable amount. The recoverable amount is the higher of the value in use and the fair value less costs to sell. An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on available data from binding sales transactions in an arm's length transactions of similar assets or observable market prices less incremental costs for disposing the asset. The value in use calculations are based on a discounted cash flow model. The cash flows are derived from the budget for the next four periods and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes. Further details are disclosed in Note 5.

4. PROPERTY, PLANT AND EQUIPMENT

Group	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
Cost						
At 1 October 2015	1,971	600	509	392	7,782	11,254
Additions	214	128	58	4	16	420
Disposals	(2)	(1)	–	–	(28)	(31)
Exchange differences	(21)	(12)	(11)	(6)	(8)	(58)
At 30 September 2016 and 1 October 2016	2,162	715	556	390	7,762	11,585
Acquisition of subsidiary	138	8	143	26	–	315
Additions	112	10	154	201	181	658
Disposals	(69)	(36)	(5)	(17)	(1,016)	(1,143)
Exchange differences	(4)	2	(5)	(3)	(3)	(13)
At 31 December 2017	2,339	699	843	597	6,924	11,402
Accumulated depreciation and impairment loss						
At 1 October 2015	1,666	424	338	290	2,604	5,322
Charge for the year	175	98	62	44	652	1,031
Disposals	(1)	(1)	–	–	(8)	(10)
Impairment loss	–	–	–	–	402	402
Exchange differences	(16)	(8)	(8)	(5)	(5)	(42)
At 30 September 2016 and 1 October 2016	1,824	513	392	329	3,645	6,703
Charge for the period	311	99	163	39	736	1,348
Disposals	(46)	(36)	(5)	(17)	(629)	(733)
Impairment loss	–	–	–	–	2,634	2,634
Exchange differences	(1)	(2)	(2)	(2)	(2)	(9)
At 31 December 2017	2,088	574	548	349	6,384	9,943
Net carrying amount						
At 30 September 2016	338	202	164	61	4,117	4,882
At 31 December 2017	251	125	295	248	540	1,459

4. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Company	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
Cost						
At 1 October 2015	705	327	134	119	320	1,605
Additions	–	2	2	–	–	4
At 30 September 2016 and 1 October 2016	705	329	136	119	320	1,609
Additions	–	1	36	201	–	238
At 31 December 2017	705	330	172	320	320	1,874
Accumulated depreciation						
At 1 October 2015	703	231	87	90	197	1,308
Charge for the year	1	57	17	18	64	157
At 30 September 2016 and 1 October 2016	704	288	104	108	261	1,465
Charge for the period	1	34	15	10	59	119
At 31 December 2017	705	322	119	118	320	1,584
Net carrying amount						
At 30 September 2016	1	41	32	11	59	144
At 31 December 2017	–	8	53	202	–	263

Assets held under finance leases

As at 31 December, the carrying amount of property, plant and equipment of the Group and Company held under finance leases were:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Motor vehicles held under finance lease	400	3,822	–	59

Leased assets are held as security for the related finance lease liabilities (Note 17).

Impairment of motor vehicles

During the financial period, the Group recognised an impairment loss of \$2,634,000 (30 September 2016: \$402,000), representing the write-down of these motor vehicles to the recoverable amount was recognised in the "Other operating expenses" line item in profit or loss. The impairment loss recognised during the financial period was mainly in relation to the motor vehicles which were unutilised or under-utilised.

5. INTANGIBLE ASSETS

Group	Goodwill \$'000	Contractual and legal rights over audio-visual materials \$'000	Club membership \$'000	Website development and software costs \$'000	Total \$'000
Cost					
At 1 October 2015	1,609	2,596	50	11,150	15,405
Additions	–	–	–	1,619	1,619
Exchange differences	–	(104)	(2)	4	(102)
At 30 September 2016 and 1 October 2016	1,609	2,492	48	12,773	16,922
Acquisition of subsidiary	–	–	–	3,840	3,840
Additions	–	–	–	5,705	5,705
Exchange differences	–	(13)	–	(59)	(72)
At 31 December 2017	1,609	2,479	48	22,259	26,395
Accumulated amortisation and impairment loss					
At 1 October 2015	–	123	–	7,150	7,273
Amortisation	–	126	–	1,235	1,361
Impairment loss	535	–	–	–	535
Exchange differences	–	–	–	7	7
At 30 September 2016 and 1 October 2016	535	249	–	8,392	9,176
Amortisation	–	157	–	4,863	5,020
Impairment loss	1,074	–	–	15	1,089
Exchange differences	–	–	–	21	21
At 31 December 2017	1,609	406	–	13,291	15,306
Net carrying amount					
At 30 September 2016	1,074	2,243	48	4,381	7,746
At 31 December 2017	–	2,073	48	8,968	11,089

5. INTANGIBLE ASSETS (CONT'D)

Company	Website development and software costs \$'000
Cost	
At 1 October 2015	10,243
Additions	1,619
At 30 September 2016 and 1 October 2016	11,862
Additions	1,440
At 31 December 2017	13,302
Accumulated amortisation	
At 1 October 2015	6,335
Amortisation	1,210
At 30 September 2016 and 1 October 2016	7,545
Amortisation	1,631
At 31 December 2017	9,176
Net carrying amount	
At 30 September 2016	4,317
At 31 December 2017	4,126

Website development and software costs

Website development costs were incurred to develop and enhance the website to provide information of the products and services of the Group to customers where they can procure these services on the website.

Software costs refer to costs incurred to develop and enhance the applications used to facilitate booking processes, management of customers' data and management of intelligence support and reporting.

As at balance sheet date, website development and software costs have a remaining amortisation period of between 1-5 years (30 September 2016: 1-5 years).

Amortisation expense

The amortisation of website development and software costs and audio-visual materials is shown as a separate line item in the consolidated income statement. Club membership is not amortised as it has indefinite life.

Impairment testing of goodwill

Goodwill arising from business combinations has been allocated to three individual cash-generating units ("CGU") for impairment testing as follows:

- Hotel Promotion Service segment
- Hotel Reservation segment
- Travel Services segment

5. INTANGIBLE ASSETS (CONT'D)

Impairment testing of goodwill (Cont'd)

The carrying amounts of goodwill allocated to each CGU are as follows:

Group	Hotel Promotion Service segment		Hotel Reservation segment		Travel Services segment		Total	
	31.12.2017	30.9.2016	31.12.2017	30.9.2016	31.12.2017	30.9.2016	31.12.2017	30.9.2016
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Goodwill	-	421	-	453	-	200	-	1,074

The recoverable amounts of the CGUs have been determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a period of four periods. The pre-tax discount rate applied to these cash flow projections and the forecasted growth rates used to extrapolate the cash flow projections beyond the four periods are as follows:

	Hotel Promotion service segment		Hotel reservation segment		Travel services segment	
	31.12.2017	30.9.2016	31.12.2017	30.9.2016	31.12.2017	30.9.2016
Growth rate	10-35%	6-10%	3-20%	30%	3-8.4%	3-6%
Pre-tax discount rate	13.9%	13.3%	9.88%	12.8%	9.88%	15%

The calculations of value in use for the CGUs are most sensitive to the following assumptions:

- Budgeted gross margins – Gross margins are based on average values achieved in the period immediately preceding the start of the budget period and adjusted for anticipated efficiency improvements.
- Growth rates – The forecasted growth rates are based on published industry research and do not exceed the long-term average growth rate for the industries relevant to the CGUs.
- Pre-tax discount rate – Discount rates represent the current market assessment of the risks specific to each CGU.

During the financial period, an impairment loss was recognised to write-down goodwill attributable to the hotel promotion service segment, hotel reservation segment and travel services segment. The impairment loss of \$1,089,000 (30 September 2016: \$535,000) has been recognised in profit or loss under the line item "other operating expenses".

Impairment testing and amortisation of contractual and legal rights over audio-visual materials

The Group has assessed the recoverable amount of contractual and legal rights over audio-visual materials based on its cash-generating unit's fair value less cost to sell, estimated based on selling price of comparative audio-visual materials. No impairment is recorded as the estimated fair value less cost to sell amount exceeds its carrying amount as at 31 December 2017 and 30 September 2016.

As at 31 December 2017, contractual and legal rights over audio-visual materials have a remaining amortisation period of 18 years (30 September 2016: 19 years).

6. INVESTMENT IN SUBSIDIARIES

	Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Shares, at cost	14,847	10,419
Impairment losses	(8,445)	(3,878)
	6,402	6,541

a. Composition of the Group

The details of the subsidiaries are:

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest	
			31.12.2017 %	30.9.2016 %
Held by the Company				
AT Reservation Network Pte Ltd ⁽¹⁾	Singapore	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
S.H. Tours Pte. Ltd. ⁽¹⁾	Singapore	Provision of tours and transportation packages	100	100
OV International Pte. Ltd. ⁽⁹⁾	Singapore	Dormant	100	100
AT Express Pte. Ltd. ⁽¹⁾	Singapore	Provision of wholesale hotel reservation service	50	50
Freeneasy Travel Pte. Ltd. ⁽²⁾	Singapore	Provision of internet hotel reservation service, sale of tour packages	50 ⁽¹²⁾	50 ⁽¹²⁾
Star-Travel.com Limited ⁽⁹⁾	The British Virgin Islands	Dormant	100	100
Precise Reform Limited ⁽⁹⁾	The British Virgin Islands	Dormant	100	100
Open Gate Developments Limited ^{(9),(12)}	The British Virgin Islands	Dormant	100	–

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

a. Composition of the Group (Cont'd)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest	
			31.12. 2017 %	30.9. 2016 %
Held through AT Reservation Network Pte Ltd				
AT Network Co., Ltd. ^{(3), (10)}	Thailand	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
AT Phil., Inc. ^{(4), (10)}	Philippines	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
Asia Travel Network Limited ^{(5), (10)}	Hong Kong	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
PT Asia Travelindo Nusantara ⁽⁹⁾	Indonesia	Dormant	100	100
Asia Middle East Tours & Travel (L.L.C.) ^{(6), (10)}	United Arab Emirates	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
AT-Chinese (HK) Limited ⁽⁵⁾	Hong Kong	Provision of internet hotel reservation service, website membership and sale of tour packages	100	100
Asiatravel (International) Private Limited ^{(9), (10)}	India	Dormant	100	100
Asiatravel Online Sdn. Bhd. ^{(7), (10)}	Malaysia	Provision of internet hotel reservation service and sale of tour packages	100	100
Subsidiary company held by Open Gate Development Limited				
Creative Glory (HK) Limited.	Hong Kong	Investment Holdings	100	–
Subsidiary company held by Creative Glory (HK) Limited				
Beijing Yacheng Technology Co., Ltd. ⁽¹²⁾	China	Technology development and Investment Holdings	100	–

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

a. Composition of the Group (Cont'd)

Name of Company	Country of incorporation	Principal activities	Proportion of ownership interest	
			31.12. 2017 %	30.9. 2016 %
Subsidiary company held by Beijing Yacheng Technology Co., Ltd				
Beijing ChangLv Technology Co., Ltd. ⁽¹²⁾	China	Technology development and Investment Holdings	100	–
Beijing Bi An International Travel Service Co., Ltd ⁽¹²⁾	China	Provision of internet hotel reservation services, sales of tour packages	100	–
Subsidiary company held by Beijing Bi An International Travel Service Co., Ltd				
Beijing Qiji International Travel Service Co., Ltd ⁽¹²⁾	China	Provision of internet hotel reservation services, sales of tour packages	100	–
Subsidiary company held by AT Phil., Inc.				
Islander Exclusive Express Tours, Travel and Transportation, Inc. ⁽⁹⁾	Philippines	Dormant	70	70
Subsidiaries held by AT Express Pte Ltd				
AT Express India Ltd. ⁽⁸⁾	India	Dormant	65	65
AT Express Reservation Private Limited ⁽⁸⁾	India	Provision of tour and transportation packages	100	100

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

a. Composition of the Group (Cont'd)

- (1) Audited by Ernst & Young LLP, Singapore
- (2) Audited by Lee SF & Co. Certified Public Accountants, Singapore
- (3) Audited by Grant Thornton Limited, Thailand
- (4) Audited by KPMG Manabat Sanagustin & Co., Philippines
- (5) Audited by Willis Cheng & Company, Hong Kong
- (6) Audited by Gulf Accountancy & Audit Centre, Al Abdooli & Co, United Arab Emirates
- (7) Audited by SL Ling & Co., Malaysia
- (8) Audited by Ahuja Arun & Co., Chartered Accountants, New Delhi
- (9) Exempted from audit in the country of incorporation
- (10) Certain shares are held in trust by third parties
- (11) The Group's beneficial interest is 50% plus 1 share and certain shares are held in trust by an employee
- (12) Audited by Beijing Zhongcheng Xintian Accounting Firm

Impairment testing of investment in subsidiaries

During the financial period, management performed an impairment test for the investment in S.H. Tours Pte. Ltd., OV International Pte. Ltd., AT Express Pte. Ltd., Freeneasy Travel Pte. Ltd., Star-Travel.com Limited and Precise Reform Limited as these subsidiaries had been making losses. An impairment loss of \$4,567,000 (30 September 2016: \$270,000) was recognised for the period ended 31 December 2017 to write down these subsidiaries to their recoverable amounts. The recoverable amounts of these investments are determined based on its value in use. Refer to Note 5 for the discount rates used in the current estimate and previous estimate of value in use.

The Company has 50% voting power in AT Express Pte. Ltd. The investment in AT Express Pte. Ltd. is accounted for as investment in subsidiaries as the Company has contractual rights to appoint majority board members.

b. Interest in subsidiaries with material non-controlling interest (NCI)

The Group has the following subsidiaries that have NCI that are material to the Group.

Name of Subsidiary	Principal place of business	Proportion of ownership interest held by non-controlling interest	Loss allocated to NCI during the reporting period \$'000	Accumulated NCI at the end of reporting period \$'000
31 December 2017:				
AT Express Pte. Ltd.	Singapore	50%	(1,745)	(1,473)
Freeneasy Travel Pte. Ltd.	Singapore	50%	(3,292)	(2,228)
30 September 2016:				
AT Express Pte. Ltd.	Singapore	50%	(324)	272
Freeneasy Travel Pte. Ltd.	Singapore	50%	(563)	1,064

6. INVESTMENT IN SUBSIDIARIES (CONT'D)

c. Summarised financial information about subsidiaries with material NCI

Summarised financial information including goodwill on acquisition and consolidation adjustments but before intercompany eliminations of subsidiaries with material non-controlling interests are as follows:

Summarised balance sheets

	AT Express Pte. Ltd.		Freeneasy Travel Pte. Ltd.	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Current				
Assets	312	3,203	496	5,991
Liabilities	(3,296)	(2,704)	(4,961)	(3,933)
Net current assets	(2,984)	499	(4,465)	2,058
Non-current				
Assets	96	61	10	70
Liabilities	(60)	(17)	-	-
Net non-current assets	36	44	10	70
Net (liabilities)/assets	(2,948)	543	(4,455)	2,128

Summarised statements of comprehensive income

	AT Express Pte. Ltd.		Freeneasy Travel Pte. Ltd.	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Revenue	11,632	8,726	9,987	21,205
Loss before income tax	(3,490)	(648)	(6,585)	(1,126)
Loss after tax, representing total comprehensive income	(3,490)	(648)	(6,585)	(1,126)

Other summarised information

	AT Express Pte. Ltd.		Freeneasy Travel Pte. Ltd.	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Net cash flow used in operations	(7,627)	70	(2,149)	(57)
Acquisition of significant property, plant and equipment	-	-	(2,162)	(14)

7. OTHER INVESTMENTS

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Non-current:		
<i>Available-for-sale financial assets</i>		
– Unquoted equity shares	85	85
Impairment losses	(85)	–
	–	

8. DEFERRED TAX

Deferred tax relates to the following:

	Group			
	Consolidated Balance Sheet		Consolidated Income Statement	
	31.12.2017 \$'000	30.9.2016 \$'000	31.12.2017 \$'000	30.9.2016 \$'000
Deferred tax assets				
General provisions	5	5	–	–
	5	5		
Deferred tax liabilities				
Other deferred liabilities	(2)	(3)	(1)	–
	(2)	(3)		
Deferred tax credit			(1)	–

MCIT

With effect from 30 September 2004, a Philippines subsidiary company is subject to the MCIT wherein it is required to pay 2% of its gross income or the normal income tax on its net income, whichever is higher.

Unrecognised deferred tax assets

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Temporary differences for which no deferred tax asset is recognised:				
– Unutilised tax losses	31,397	12,836	7,253	7,711
– Unabsorbed capital allowances	541	1,056	40	559
– MCIT	141	136	–	–
	32,079	14,028	7,293	8,270

8. DEFERRED TAX (CONT'D)

Unrecognised deferred tax assets (cont'd)

The unabsorbed capital allowances, unutilised tax losses and MCIT mentioned above are available for off-set against future taxable profits of the companies from which these unabsorbed capital allowances, unutilised losses and MCIT arose. No deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these unabsorbed capital allowances, unutilised tax losses and MCIT are subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

As of 31 December 2017, the composition of the MCIT for which deferred tax asset is not recognised amounted to \$141,000 (30 September 2016: \$136,000) is as follows:

Year incurred	Expiry date	MCIT \$'000
2015	30 September 2018	44
2016	30 September 2019	53
2017*	31 December 2019*	10
2017	31 December 2020	34
		141

*Due to a change in financial year end.

MCIT will expire 3 years subsequent to the year in which it was incurred. MCIT that has expired during the year amounts to \$39,000 (30 September 2016: \$34,000).

Unrecognised temporary differences relating to investments in subsidiaries

At the end of the reporting period, no deferred tax liability (30 September 2016: Nil) has been recognised for taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries as the Group has determined that the undistributed earnings of its subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to \$ Nil (30 September 2016: \$Nil). The deferred tax liability is estimated to be approximately \$ Nil (30 September 2016: \$Nil).

9. INVENTORIES

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
<u>Inventories, at cost</u>				
Hotel/resort room nights	1,513	3,998	-	-
Admission tickets	76	207	-	-
	1,589	4,205	-	-
Inventories written down – Hotel/resort room nights	247	9	-	-

10. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Trade receivables	2,310	10,763	1,224	1,195

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Trade receivables – nominal amounts	7,882	10,763
Less: Allowance for impairment	(5,572)	–
	2,310	10,763
Movement in allowance accounts:		
At 1 October	–	–
Written off	5,572	–
At end of financial period	5,572	–
Bad debts written off directly to income statement	10	15

Trade receivables are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

As at 31 December 2017 and 30 September 2016, the trade receivables of the Group and the Company are denominated in the following currencies:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Singapore Dollar	1,203	4,240	981	851
Chinese Yuan	430	5,467	–	–
Hong Kong Dollar	44	120	–	–
United States Dollar	249	348	229	330
Others	384	588	14	14
	2,310	10,763	1,224	1,195

10. TRADE RECEIVABLES (CONT'D)

Receivables that are past due but not impaired

The Group and the Company have trade receivables amounting to \$882,000 (30 September 2016: \$8,163,000) and \$244,000 (30 September 2016: \$272,000) respectively that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Trade receivables past due but not impaired:				
Less than 30 days	214	1,270	53	73
30 to 60 days	315	1,398	102	26
61-90 days	26	1,548	20	133
91-120 days	323	598	69	40
More than 120 days	14	3,349	–	–
	882	8,163	244	272

11. OTHER RECEIVABLES

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Deposits	2,695	2,220	59	63
Staff advances	345	31	–	–
Other debtors	123	5,636	4	5,245
	3,163	7,887	63	5,308

The staff advances are non-interest bearing, unsecured, repayable on demand and are to be settled in cash.

11. OTHER RECEIVABLES (CONT'D)

As at end of the reporting period, the other receivables for the Group and the Company are denominated in the following currencies:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Singapore Dollar	886	6,369	63	5,308
Hong Kong Dollar	252	244	-	-
United Arab Emirates Dirham	335	359	-	-
Philippine Peso	170	179	-	-
Chinese Yuan	734	-	-	-
India Rupee	2	2	-	-
Thai Baht	731	678	-	-
Others	53	56	-	-
	3,163	7,887	63	5,308

12. AMOUNTS DUE FROM SUBSIDIARIES

The amounts are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are expected to be settled in cash.

These balances mainly relate to management fees due, and hosting and domain fees paid on behalf of these companies.

13. CASH AND SHORT-TERM DEPOSITS

Cash and short-term deposits included in the consolidated cash flow statement comprise the following:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Cash at bank and on hand representing cash and cash equivalents	1,636	3,932	618	1,844
Fixed deposits and cash pledged	1,959	2,066	1,791	1,906
Cash and short-term deposits	3,595	5,998	2,409	3,750

Cash and short-term deposits are denominated in the following currencies:

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Singapore Dollar	1,456	2,524	1,072	2,064
United States Dollar	1,172	1,302	1,083	1,223
Hong Kong Dollar	37	298	20	180
Philippine Peso	377	1,213	165	202
Thai Baht	257	433	17	25
Malaysian Ringgit	41	108	-	-
Indian Rupee	38	45	-	-
United Arab Emirates Dirham	43	43	30	24
Chinese Yuan	152	-	-	-
Others	22	32	22	32
	3,595	5,998	2,409	3,750

The fixed deposits bear interest rates ranging from 0.12% to 0.90% (30 September 2016: 0.10% to 0.75%) per annum and mature within the next twelve months. Fixed deposits are made for varying periods of between 3 and 6 months. The fixed deposits and cash pledged were made to banks for banking facilities.

14. TRADE AND OTHER PAYABLES

Trade payables

Trade payables are non-interest bearing and normally settled on 30 - 90 days terms.

As at end of reporting period, the trade payables of the Group are denominated in the following currencies:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Singapore Dollar	3,161	1,629
United States Dollar	887	546
Thai Baht	2,763	1,804
Hong Kong Dollar	287	125
Malaysia Ringgit	681	219
Philippine Peso	799	476
United Arab Emirates Dirham	317	329
Others	364	127
	9,259	5,255

Other payables

Other payables are non-interest bearing and have an average term of 1-3 months.

	Group		Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Accruals	5,807	4,868	1,714	732
Amount payable for the purchase of admission tickets and room entitlements	564	414	564	414
Agent deposits	1,639	498	1,639	498
Other creditors	2,254	2,056	37	479
	10,264	7,836	3,954	2,123

14. TRADE AND OTHER PAYABLES (CONT'D)

As at end of reporting period, the other payables for the Group and the Company are denominated in the following currencies:

	Group		Company	
	1.10.2016 to 31.12.2017	30.9.2016	1.10.2016 to 31.12.2017	30.9.2016
	\$'000	\$'000	\$'000	\$'000
Singapore Dollar	4,376	6,208	3,012	1,866
Chinese Yuan	3,472	–	50	–
Hong Kong Dollar	32	26	–	–
Philippine Peso	371	393	–	–
United States Dollar	946	299	844	257
United Arab Emirates Dirham	482	679	–	–
Others	585	231	48	–
	10,264	7,836	3,954	2,123

15. DEFERRED INCOME

Deferred income relates to revenue collected in advance of its fulfilment of services.

16. AMOUNTS DUE TO SUBSIDIARIES

The amounts are non-trade related, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

These balances mainly relate to trade receipts collected on behalf of subsidiaries.

17. OBLIGATIONS UNDER FINANCE LEASES

The Group entered into hire purchase arrangement for the purchase of certain motor vehicles. These obligations are secured by a charge over the leased assets (Note 4). The effective interest rates implicit in the leases of the Group and Company are 4.26% to 8.66% (30 September 2016: 4.26% to 8.66%) per annum. These obligations are denominated in the respective functional currencies of the relevant entities in the Group.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	1.10.2016 to 31.12.2017		30.9.2016	
	Minimum payments	Present value of payments	Minimum payments	Present value of payments
	\$'000	\$'000	\$'000	\$'000
Group				
Within one year	406	386	1,061	966
After one year but not more than five years	174	161	707	673
More than five years	1	–	–	–
Total minimum lease payments	581	547	1,768	1,639
Less: Amount representing finance charges	(34)	–	(129)	–
Present value of minimum lease payments	547	547	1,639	1,639
Company				
Within one year	40	35	40	33
After one year but not more than five years	92	88	142	132
Total minimum lease payments	132	123	182	165
Less: Amount representing finance charges	(9)	–	(17)	–
Present value of minimum lease payments	123	123	165	165

18. SHARE CAPITAL AND TREASURY SHARES

(a) Share capital

	Group and Company			
	31.12.2017		30.9.2016	
	No. of shares '000	\$'000	No. of shares '000	\$'000
Ordinary shares issued and fully paid:				
At 1 October	392,088	64,061	350,577	56,105
Exercised warrants	-	-	11	3
Issuance of new shares	47,000	8,731	41,500	7,953
At end of financial period	439,088	72,792	392,088	64,061

On 28 November 2016, the Company has allotted and issued an aggregate of 47,000,000 new ordinary shares in the capital of the Company to ZhongHong New World International Limited at the issue price of \$0.20 per Subscription Share, for an aggregate amount of \$9,400,000 excluding expenses of \$669,000.

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

(b) Treasury shares

	Group and Company			
	31.12.2017		30.9.2016	
	No. of shares '000	\$'000	No. of shares '000	\$'000
At 1 October	(16,557)	(4,133)	(10,646)	(3,124)
Acquired during the financial period	(532)	(66)	(5,911)	(1,009)
At end of financial period	(17,089)	(4,199)	(16,557)	(4,133)

Treasury shares relate to ordinary shares of the Company that are held by the Company.

The Company acquired 531,700 (30 September 2016: 5,911,400) shares in the Company through purchases on the Singapore Exchange during the financial period. The total amount paid to acquire the shares was \$66,000 (30 September 2016: \$1,009,000) and this was presented as a component within shareholders' equity.

19. OTHER RESERVES

(a) Accumulated losses

	Group		Company	
	31.12.2017 \$'000	30.9.2016 \$'000	31.12.2017 \$'000	30.9.2016 \$'000
At 1 October	(36,739)	(28,792)	(38,617)	(33,777)
Loss for the period	(29,517)	(7,947)	(22,229)	(4,840)
At end of financial period	(66,256)	(36,739)	(60,846)	(38,617)

(b) Share-based compensation reserve

Share-based compensation reserve represents the equity-settled share options granted to employees (Note 26). The reserve is made up of the cumulative value of services received from employees recorded over the vesting period commencing from the grant date of equity-settled share options, and is reduced by the expiry or exercise of the share options.

	Group and Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
At 1 October	14	13
Grant of equity-settled share options	–	1
At end of financial period	14	14

(c) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
At 1 October	(1,537)	(1,008)
Translation of financial statements of foreign subsidiaries	429	(529)
At end of financial period	(1,108)	(1,537)

(d) Capital reserve

Capital reserve represents the excess of book value of non-controlling interests acquired in prior years over its cash consideration as well as the non-redeemable convertible note.

20. SALE OF SERVICES

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Sale of hotel/resort rooms	100,356	69,752
Sale of attraction tickets, transportation and tour packages	66,622	25,564
Commission income	171	344
Sale of air tickets	936	1,179
Promotion service	525	808
Annual website membership fees	7	7
	168,617	97,654

21. OTHER INCOME

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Government grant & claim	254	624
Tour operator incentive	620	360
Credit card rebate	125	158
Unredeemed admission tickets	37	2
Promotion fee	104	134
Service fee	327	3,519
Sundry income	93	468
Interest income from loans and receivables	11	8
	1,571	5,273

22. LOSS BEFORE TAX

Loss before tax included the following for the financial periods ended 31 December 2017 and 30 September 2016:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
<i>Changes in inventories:</i>		
Hotel/resort rooms	93,426	63,953
Attraction tickets, transportation and tour packages	62,416	20,759
Promotion service	127	153
	155,969	84,865
<i>Finance costs:</i>		
Interest expense on obligations under finance leases	184	228
<i>Items in other operating expenses include:</i>		
Service fee to principal agents of subsidiary companies	2,899	2,927
Consultancy and professional fees	850	577
Directors' fees		
– Non-Executive Directors of the Company	55	78
Loss on disposal of property, plant and equipment, net	104	21
E.com and credit card charges	1,572	1,501
Advertisements and promotion fees	3,976	2,752
Upkeep of motor vehicles	872	759
Internet charges	154	144
Office and photocopier rental expenses	1,344	1,056
Telecommunications	266	214
Bad trade debts written off (Note 10)	10	15
Allowance for doubtful debt (Note 10)	5,572	–
Inventories written down (Note 9)	247	9
Impairment of property, plant and equipment (Note 4)	2,634	402
Impairment of intangible assets (Note 5)	1,089	535
Impairment of other investments	85	–
Exchange gain – realised	(221)	(464)
Exchange loss – unrealised	920	138
<i>Audit fees:</i>		
– Auditor of the Company	177	161
– Other auditors	101	57
<i>Non-audit fees:</i>		
– Auditor of the Company	58	8
– Other auditors	10	7
Total audit and non-audit fees	346	233

23. INCOME TAX EXPENSE

Major components of tax expense

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Consolidated Income statement:		
Current income tax		
– Overseas	80	34
Income tax expense recognised in income statement	80	34

Relationship between tax expense and accounting loss

The reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the years ended 31 December 2017 and 30 September 2016 are as follows:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Loss before tax	(34,468)	(8,800)
Tax benefit calculated at corporate tax rate of 17%	(5,860)	(1,496)
Adjustments:		
Non-deductible expenses	2,446	810
Income not subject to taxation	(5,208)	(115)
Expired MCIT (Note 8)	39	34
Effect of different tax rates in other countries	551	(97)
Deferred tax asset not recognised	8,112	898
Income tax expense recognised in income statement	80	34

24. LOSSES PER SHARE

Basic losses per share amounts are calculated by dividing loss for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted losses per share amounts are calculated by dividing loss for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the loss and share data used in the computation of basic and diluted losses per share for the periods ended 31 December 2017 and 30 September 2016:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Loss net of tax attributable to owners of the Company used in the computation of basic and dilutive losses per share	(29,517)	(7,947)
Weighted average number of ordinary shares for basic losses per share computation	429,893	345,029
Effect of dilution: – Share options *	–	–
Weighted average number of ordinary shares for diluted losses per share computation	429,893	345,029

* 300,000 (30 September 2016: 300,000) share options have not been included in the calculation of diluted losses per share because they are anti-dilutive.

Since the end of the financial period, the number of unexercised share options amounted to 300,000 (30 September 2016: 300,000) shares.

25. COMMITMENTS AND CONTINGENCIES

Operating lease commitments – as lessee

The Group has entered into commercial leases for properties and tour desks. These leases expire on various dates till December 2017 and contain provisions for rental adjustments. There are no restrictions placed upon the Group or the Company by entering into these leases. Minimum lease payments recognised as an expense in the income statement for the financial period ended 31 December 2017 amounted to \$1,343,600 (30 September 2016: \$1,056,000).

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Within one year	611	880
After one year but not more than five years	857	279
	1,468	1,159

26. SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits included the following for the financial periods ended 31 December 2017 and 30 September 2016:

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
<i>Directors' remuneration</i>		
Salaries and other emoluments		
– Directors of the Company	465	352
– Directors of subsidiaries	324	306
Defined contributions		
– Directors of the Company	11	8
– Directors of subsidiaries	18	12
<i>Other employees</i>		
Defined contributions	1,669	813
Salaries and bonus	12,080	8,170
Other personnel expenses	1,185	1,056
	15,752	10,717

26. SALARIES AND EMPLOYEE BENEFITS (CONT'D)

Asiatravel.com Share Option Scheme 2011 ("2011 Scheme")

Under 2011 Scheme, full time employees, including all executive and non-executive directors, are granted non-transferrable options. Options are granted for terms of 10 years to purchase Asiatravel.com Holdings Ltd's ordinary shares at prices not exceeding a 20% discount on the market value of the shares based on the average of the last dealt price of the share for the five market days prior to the date of grant, as quoted and shown on the daily Financial News published by the SGX-ST, or its nominal value, whichever is higher.

Asiatravel.com Performance Share Plan ("Share Plan")

Under Share Plan, subject to the absolute discretion of the Remuneration Committee, full time employees, including all executive and non-executive directors, are eligible to participate in Share Plan provided that, as of the Date of the Grant, such persons have attained the age of twenty-one (21) years, are not undischarged bankrupts and have not entered into any composition(s) with their respective creditors, and in the case of Employees, must have been in employment of the Group for at least twelve (12) months, or shorter period as the Committee may determine.

Movement of share options during the financial period

The following table illustrates the number ("No.") and weighted average exercise prices ("WAEP") of, and movements in, equity-settled share options during the period.

	1.10.2016 to 31.12.2017		30.9.2016	
	No.	WAEP	No.	WAEP
Outstanding at beginning and end of period *	300,000	0.21	300,000	0.21
Exercisable at end of period	300,000	0.21	300,000	0.21

* The exercise price for options outstanding at the end of the period was \$0.21 (30 September 2016: \$0.21). The weighted average remaining contractual life for these options is 2.31 years (30 September 2016: 2.58 years)

The carrying amount of the share-based compensation reserve, recognised in the Group's and the Company's balance sheets relating to equity-settled options granted under the Share Option Scheme at 31 December 2017 is NIL (30 September 2016: \$1,000). On 1 February 2018, there was a cancellation of 840,000 options due to the resignation of the trustee of the share options. On 15th April 2018, the remaining 300,000 options was cancelled due to the expiry of the options.

At the date of the audit report, there was no exercisable options in issue.

There has been no modification to the 2011 Scheme and Share Plan during both 2017 and 2016.

26. SALARIES AND EMPLOYEE BENEFITS (CONT'D)

Options granted under the 2011 Scheme to full-time executive employees and directors of the Group are subject to an option period of ten years, such period commencing from the date of grant and expiring on the day immediately preceding the tenth anniversary of the date of grant. The options are exercisable on the first anniversary of the date of grant. At the end of the financial period, there were 300,000 unissued ordinary shares of the Company under options as follows:

Date of grant	Balance at beginning of the year	Granted during the year	Options exercised during the year	Options cancelled during the year	Balance at end of the year	Subscription price	Expiry date
<i>Options granted under the 2011 Scheme</i>							
16 April 2013	300,000	–	–	–	300,000	\$0.205	15 April 2018

During the financial period, there were 300,000 unissued shares of the Company under options.

Subsequent to end of the financial period and up to the date of this report, no option has been exercised.

27. DIRECTORS' REMUNERATION

In compliance with the requirements of the Singapore Exchange, the number of directors whose emoluments fall within the following bands are as follows:

Number of directors

	Company	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
\$250,000 to \$499,999	1	1
Below \$250,000	3	3
	4	4

The aggregate directors' remuneration by category are as follows:

Group	1.10.2016 to 31.12.2017			30.9.2016		
	Executive Director \$'000	Non-Executive Directors \$'000	Total \$'000	Executive Director \$'000	Non-Executive Directors \$'000	Total \$'000
Directors' fees of the Company	–	55	55	–	78	78
Salaries	437	–	437	330	–	330
Bonus	28	–	28	22	–	22
Defined contributions	11	–	11	8	–	8
	476	55	531	360	78	438

28. SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services and has seven reportable operating segments as follows:

(a) *Hotel reservation:*

Provision of online hotel room booking service through the Group's website and wholesale hotel reservation services.

(b) *Attraction tickets, transportation and tour packages:*

Arrangement of inbound and outbound sightseeing tours and provision of accommodation, meals and transport management services.

(c) *Others:*

Provision of online air tickets through the Group's website, promotion of hotels, resorts products and services on interactive and cable television channels.

No operating segment has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transactions between operating segments took place at terms agreed between the segments.

28. SEGMENT INFORMATION (CONT'D)

	Hotel reservation		Tour packages		Others		Adjustments and Eliminations		Notes	Group	
	31.12. 2017 \$'000	30.9. 2016 \$'000	31.12. 2017 \$'000	30.9. 2016 \$'000	31.12. 2017 \$'000	30.9. 2016 \$'000	31.12. 2017 \$'000	30.9. 2016 \$'000		31.12. 2017 \$'000	30.9. 2016 \$'000
Revenue											
External customers	119,991	81,714	47,164	13,953	1,462	1,987	-	-		168,617	97,654
Inter-segment sales	74,983	24,696	30,041	7,597	12,248	1,597	(117,272)	(33,890)	A	-	-
Total revenue	194,974	106,410	77,205	21,550	13,710	3,584	(117,272)	(33,890)		168,617	97,654
Results:											
Interest income	4	4	1	2	6	2	-	-		11	8
Depreciation and amortisation	2,032	1,281	883	606	3,453	505	-	-		6,368	2,392
Other non-cash expenses	1,224	512	529	241	2,244	208	-	-	B	4,065	961
Segment (loss)/profit	(4,946)	(3,236)	(1,597)	(2,399)	(59,182)	(4,494)	30,263	1,329	C	(35,215)	(8,800)
Assets:											
Additions to non-current assets	2,030	1,114	882	526	3,451	440	-	-	D	6,363	2,080
Segment assets	8,272	23,235	3,594	11,000	14,056	9,166	(2)	90	E	25,920	43,491
Segment liabilities	7,825	9,354	3,400	4,427	12,729	3,690	(1)	1,666	F	23,953	19,137

28. SEGMENT INFORMATION (CONT'D)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

- A. Inter-segment revenues are eliminated on consolidation.
- B. Other non-cash expenses consist of inventories written-down, provision for impairment loss, and bad debts written off as presented in the respective notes to the financial statements.
- C. The following items are added to/(deducted from) segment loss to arrive at "loss before tax" presented in the consolidated income statement.

	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Finance costs	(184)	(228)
Unallocated corporate income	931	1,557
	747	1,329

- D. Additions to non-current assets consist of additions to property, plant and equipment and intangible assets.
- E. The following items are added to segment assets to arrive at total assets reported in the consolidated balance sheet:

	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Deferred tax assets	5	5
Inter-segment assets	–	85
	5	90

- F. The following items are added to segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Deferred tax liabilities	2	3
Income tax payable	23	24
Obligations under finance leases	547	1,639
	572	1,666

28. SEGMENT INFORMATION (CONT'D)

Geographical information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Singapore	59,415	52,948	4,777	9,261
Philippines	15,835	14,478	156	236
Thailand	7,288	3,270	142	136
Hong Kong	2,511	3,906	2,686	2,725
Middle East	3,884	5,813	11	18
Malaysia	14	13	2	2
China	79,670	–	5,226	–
Others	–	17,226	1	250
	168,617	97,654	13,001	12,628

Non-current assets information presented above consist of property, plant and equipment and intangible assets as presented in the consolidated balance sheet.

Information about major customer

Revenue from two major sales agents amounts to \$21,502,000 (30 September 2016: \$25,952,000).

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial period, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterpart default on its obligations.

The management has a credit policy in place and exposure of credit risk is monitored on an ongoing basis. The management believes that concentration of credit risk is limited due to ongoing credit evaluations on all customers and maintaining an allowance for doubtful debts, which the management believes will adequately provide for potential credit risks. The Group has also placed its surplus funds in a number of different banks. Therefore, the Group does not expect to incur material credit losses on its financial instruments.

Excessive risk concentration

Concentrations of credit risk exist when changes in the economic, industry or geographical factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. As the majority of the Group's debtors are from the tourism sector, this may give rise to a concentration of credit risk. It is the Group's policy to enter into transactions with a diversity of credit-worthy counterparties so as to mitigate any significant concentration of credit risk.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	1.10.2016 to 31.12.2017		30.9.2016	
	\$'000	% of total	\$'000	% of total
By country:				
China	681	29	5,467	51
Indonesia	-	-	2,983	28
Singapore	1,023	44	1,587	14
Hong Kong	43	2	120	1
Other countries	563	24	606	6
At 31 December	2,310	100	10,763	100

At the end of the reporting period, approximately 0% (30 September 2016: 79%) of the Group's trade receivables are due from 2 major sales agents.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(a) Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents are placed with reputable financial institutions.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 10 (trade receivables).

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group and the Company are not exposed to liquidity risk. It has surplus funds deposited with various banks and does not anticipate any problem in obtaining external funding in the foreseeable future when the need arises.

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

31 December 2017	1 year or less	1 to 5 years	Over 5 years	Total
Group	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other investments	-	-	-	-
Trade receivables	2,310	-	-	2,310
Other receivables	3,163	-	-	3,163
Fixed deposits and cash pledged	1,959	-	-	1,959
Cash and cash equivalents	1,636	-	-	1,636
Total undiscounted financial assets	9,068	-	-	9,068
Financial liabilities				
Trade payables	9,259	-	-	9,259
Other payables	10,264	-	-	10,264
Obligations under finance leases	406	174	1	581
Total undiscounted financial liabilities	19,929	174	1	20,104
Total net undiscounted financial liabilities	(10,861)	(174)	(1)	(11,036)

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

31 December 2017	1 year or less	1 to 5 years	Over 5 years	Total
Company	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade receivables	1,224	-	-	1,224
Other receivables	63	-	-	63
Amounts due from subsidiaries	20,604	-	-	20,604
Fixed deposits and cash pledged	1,791	-	-	1,791
Cash and cash equivalents	618	-	-	618
Total undiscounted financial assets	24,300	-	-	24,300
Financial liabilities				
Other payables	3,954	-	-	3,954
Amounts due to subsidiaries	18,841	-	-	18,841
Obligations under finance leases	40	92	-	132
Total undiscounted financial liabilities	22,835	92	-	22,927
Total net undiscounted financial assets/ (liabilities)	1,465	(92)	-	1,373

30 September 2016	1 year or less	1 to 5 years	Over 5 years	Total
Group	\$'000	\$'000	\$'000	\$'000
Financial assets				
Other investments	-	-	85	85
Trade receivables	10,763	-	-	10,763
Other receivables	7,887	-	-	7,887
Fixed deposits and cash pledged	2,066	-	-	2,066
Cash and cash equivalents	3,932	-	-	3,932
Total undiscounted financial assets	24,648	-	85	24,733
Financial liabilities				
Trade payables	5,255	-	-	5,255
Other payables	7,836	-	-	7,836
Obligations under finance leases	1,061	707	-	1,768
Total undiscounted financial liabilities	14,152	707	-	14,859
Total net undiscounted financial assets/(liabilities)	10,496	(707)	85	9,874

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(b) Liquidity risk (cont'd)

30 September 2016	1 year or less	1 to 5 years	Over 5 years	Total
Company	\$'000	\$'000	\$'000	\$'000
Financial assets				
Trade receivables	1,195	–	–	1,195
Other receivables	5,308	–	–	5,308
Amounts due from subsidiaries	17,957	–	–	17,957
Fixed deposits and cash pledged	1,906	–	–	1,906
Cash and cash equivalents	1,844	–	–	1,844
Total undiscounted financial assets	28,210	–	–	28,210
Financial liabilities				
Other payables	2,123	–	–	2,123
Amounts due to subsidiaries	15,519	–	–	15,519
Obligations under finance leases	40	142	–	182
Total undiscounted financial liabilities	17,682	142	–	17,824
Total net undiscounted financial assets/ (liabilities)	10,528	(142)	–	10,386

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group or the Company is not exposed to interest rate risk. The Group's and the Company's obligations under finance leases are in fixed interest rate terms.

The Group's policy is to obtain the most favourable interest rates available whenever the Group obtains additional financing leasing arrangements.

(d) Foreign currency risk

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of Group entities, primarily Hong Kong Dollars ("HKD"), Thai Baht ("THB"), Philippine Peso ("Peso") and United Arab Emirates Dirham ("AED"). The foreign currencies in which these transactions are denominated are mainly U.S Dollars ("USD"). Approximately 3.3% (30 September 2016: 6%) of the Group's sales are denominated in foreign currencies whilst almost 3% (30 September 2016: 6%) of costs are denominated in the respective functional currencies of the entities within the Group. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

The Group and Company also hold cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances (mainly in USD, HKD, Peso and THB) amounted to \$2,140,000 and \$1,337,000 (30 September 2016: \$3,474,000 and \$1,686,000) for the Group and Company respectively.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(d) Foreign currency risk (cont'd)

The Group is also exposed to currency translation risk arising from its net investments in foreign operations, including Malaysia, Hong Kong, Indonesia, Philippines, United Arab Emirates and Thailand.

The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and investments, and other financial assets and liabilities created in the ordinary course of business.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the USD, HKD, THB, Peso and AED against the respective functional currencies of the Group entities, with all other variables held constant.

	Group	
	Loss net of tax	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
USD		
– strengthened 5% (30 September 2016: 5%)	27	55
– weakened 5% (30 September 2016: 5%)	(27)	(55)
HKD		
– strengthened 5% (30 September 2016: 5%)	(10)	15
– weakened 5% (30 September 2016: 5%)	10	(15)
THB		
– strengthened 5% (30 September 2016: 5%)	(117)	(51)
– weakened 5% (30 September 2016: 5%)	117	51
PESO		
– strengthened 3% (30 September 2016: 3%)	(8)	26
– weakened 3% (30 September 2016: 3%)	8	(26)
AED		
– strengthened 5% (30 September 2016: 5%)	(12)	(10)
– weakened 5% (30 September 2016: 5%)	12	10
CNY		
– strengthened 5% (30 September 2016: Nil)	172	–
– weakened 5% (30 September 2016: Nil)	(172)	–

30. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

(a) Financial instruments carried at other than fair value

It is not practicable to determine with sufficient reliability without incurring excessive costs, the fair value of unquoted equity shares, as there were no quoted market prices in an active market nor are other reasonable methods of making an estimation of the fair values readily available. The Group does not intend to dispose of these unquoted equity shares in the foreseeable future.

Fair value estimates are made at a specific point in time and based on relevant market information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

(b) Financial instruments whose carrying amount approximate fair value

Management has determined that the carrying amounts of cash and short-term deposits, current trade and other receivables, current trade and other payables, bank loan and related party balances, based on their notional amounts, are reasonable approximation of fair value due to their short-term nature.

Fair value of financial instruments by classes that are not carried at fair value but for which fair value is disclosed.

The fair value of financial liabilities by classes that are not carried at fair value but for which fair value is disclosed as follows:

	Note	Group			
		1.10.2016 to 31.12.2017		30.9.2016	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Financial liability: – Obligations under finance leases (non-current)	17	161	175	673	707

	Note	Company			
		1.10.2016 to 31.12.2017		30.9.2016	
		Carrying amount	Fair value	Carrying amount	Fair value
		\$'000	\$'000	\$'000	\$'000
Financial liability: – Obligations under finance leases (non-current)	17	88	92	132	142

The fair value as disclosed in the table above is based on significant unobservable inputs (level 3) and estimated by discounting expected future cash flows at market incremental lending rate for similar types of leasing arrangements at the end of the reporting period.

30. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONT'D)

Carrying amounts of financial instruments by categories

The table below is an analysis of the carrying amounts of financial instruments by categories as at 30 September:

	Note	Group		Company	
		1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
<i>Loans and receivables</i>					
– Trade receivables	10	2,310	10,763	1,224	1,195
– Other receivables	11	3,163	7,887	63	5,308
– Amounts due from subsidiaries	12	–	–	19,866	17,957
– Fixed deposits and cash pledged	13	1,959	2,066	1,791	1,906
– Cash and cash equivalents	13	1,636	3,932	618	1,844
		9,068	24,648	23,562	28,210
<i>Available-for-sale financial assets</i>					
– Other investments	7	–	85	–	–
<i>Financial liabilities carried at amortised cost</i>					
<i>Current liabilities</i>					
– Trade payables	14	9,259	5,255	46	–
– Other payables	14	10,264	7,836	3,954	2,123
– Amounts due to subsidiaries	16	–	–	18,841	15,519
– Obligations under finance leases	17	386	966	35	33
<i>Non-current liability</i>					
– Obligations under finance leases	17	161	673	88	132
		20,070	14,730	22,964	17,807

31. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Directors' fees of the Company	55	78
Defined contributions	50	38
Salaries and other emoluments	1,070	788
Bonus	96	77
Total compensation paid to key management personnel	1,271	981
Analysed as follows:		
Directors of the Company	531	438
Other key management personnel	740	543
	1,271	981

The remuneration of key management personnel is determined by the Remuneration Committee having regard to the performance of individuals and market trends.

Directors' and key management personnel's interests in an employee share option plan

At the end of the reporting period, there is Nil (30 September 2016: Nil) outstanding share options granted by the Company to the Company's directors and key management personnel.

32. CAPITAL MANAGEMENT

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return of capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes during the periods ended 31 December 2017 and 30 September 2016.

32. CAPITAL MANAGEMENT (CONT'D)

The Group monitors its capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, obligations under finance leases, trade and other payables, and amounts due to related parties. Capital relates to equity attributable to the owners of the Company.

	Group	
	1.10.2016 to 31.12.2017 \$'000	30.9.2016 \$'000
Obligations under finance leases (Note 17)	547	1,639
Trade payables (Note 14)	9,259	5,255
Other payables (Note 14)	10,264	7,836
Net debt	20,070	14,730
Equity attributable to the owners of the Company	5,570	23,038
Capital and net debt	25,640	37,768
Gearing ratio	78%	39%

33. EVENTS OCCURRING AFTER THE REPORTING PERIOD

The Group has ceased to consolidate the accounts of AT Express Pte Ltd ("ATE") as of 1 January 2018 due to the loss of Board representation; currently ATE has a sole director who is not representing the Group. As of 1 January 2018, ATE will be treated as an associate instead of a subsidiary, due to the loss of control.

The Group has ceased to consolidate the accounts of FreeNEasy Tours Pte Ltd ("FNE") as of 1 January 2018 due to the loss of one veto share which was pledged to the Group by an individual shareholder. As of 1 January 2018, the said shareholder had withdrawn the veto share pledged to the Group and hence, FNE will be treated as an associate instead of a subsidiary due to loss of control.

The share placement to Yaturu Ltd and Yalla Digital Inc amounting to S\$1 million was completed on 6 April 2018. The placement shares had been issued and credited into placee's securities accounts.

34. COMPARATIVE FIGURES

The Company has changed its financial period end from 30 September to 31 December and the financial statements are prepared for the financial period from 1 October 2016 to 31 December 2017.

35. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the period from 1 October 2016 to 31 December 2017 were authorised for issue in accordance with a resolution of the directors on 3 July 2018.

Class of equity securities	Number of equity securities	Voting Rights
Ordinary Shares	449,311,852	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	14	1.27	530	0.00
100 – 1,000	140	12.70	116,633	0.03
1,000 – 10,000	346	31.40	2,207,462	0.49
10,001 – 1,000,000	576	52.27	48,230,960	10.73
1,000,001 and above	26	2.36	398,756,267	88.75
Total	1,102	100.00	449,311,852	100.00

TREASURY SHARES

Number of treasury shares : 17,089,100

Percentage of treasury shares against the total number of issued shares excluding treasury shares : 3.80%

The Company does not have any subsidiary holdings.

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Toread Holdings Group Co., Ltd. ("Toread") ⁽¹⁾	–	–	60,000,000	13.35
Goh Khoon Lim ⁽²⁾	–	–	40,494,437	9.01
See Lop Fu, James	24,768,000	5.51	–	–
Ong Nai Pew ⁽³⁾	–	–	30,539,666	6.80
Sheng Faqiang ⁽⁴⁾	–	–	60,000,000	13.35
Zhong Hong New World International Limited	88,500,000	19.70	–	–
ZhongHong New World Investment Pte Ltd ⁽⁵⁾	–	–	88,500,000	19.70
ZhongHong Xinqi Shijie Investment Ltd ⁽⁶⁾	–	–	88,500,000	19.70
ZhongHong Holding Co., Ltd ⁽⁷⁾	–	–	128,500,000	28.60
ZhongHong Zhuoye Group Ltd ⁽⁸⁾	–	–	128,500,000	28.60
Wang Yonghong ⁽⁹⁾	–	–	128,500,000	28.60

¹⁾ Toread's deemed interest arises from 60,000,000 shares registered in the name of its nominee.

²⁾ Goh Khoon Lim is the beneficiary holder of 12,273,000 shares held by DBS Nominees Pte Ltd and 28,221,437 shares held by KGI Securities Singapore Pte Ltd.

³⁾ Ong Nai Pew's deemed interest arises from 30,539,666 shares held through nominees.

⁴⁾ Sheng Faqiang is deemed to have an interest in 60,000,000 Shares held by Toread through his controlling interest in Toread.

⁵⁾ Zhong Hong New World International Limited is the direct wholly owned subsidiary of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. is deemed interested in the shares held by Zhong Hong New World International Limited.

⁶⁾ Zhong Hong New World International Limited is the indirect wholly owned subsidiary of Zhonghong Xinqi Shijie Investment Ltd. Zhong Hong New World International Limited is deemed interested in the shares held by Zhong Hong New World International Limited.

⁷⁾ Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Zhonghong Holding Co., Ltd. is deemed interested in the shares held by Zhong Hong New World International Limited.

⁸⁾ Zhonghong Zhuoye Group Ltd holds 26.55% of the issued share capital of Zhonghong Holding Co., Ltd. Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Zhonghong Zhuoye Group Ltd is deemed interested in the shares held by Zhong Hong New World International Limited.

⁹⁾ Wang Yonghong holds 100% of the issued share capital of Zhonghong Zhuoye Group Ltd. Zhonghong Zhuoye Group Ltd holds 26.55% of the issued share capital of Zhonghong Holding Co., Ltd. Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Wang Yonghong is deemed interested in the shares held by Zhong Hong New World International Limited.

TWENTY LARGEST SHAREHOLDERS

NO.		NO. OF SHARES	%
1	PHILLIP SECURITIES PTE LTD	130,078,175	28.95
2	UOB KAY HIAN PRIVATE LIMITED	62,332,850	13.87
3	KGI SECURITIES (SINGAPORE) PTE. LTD.	37,886,387	8.43
4	OCBC SECURITIES PRIVATE LIMITED	35,279,066	7.85
5	DBS NOMINEES (PRIVATE) LIMITED	33,438,050	7.44
6	SEE LOP FU JAMES @ SHI LAP FU JAMES	24,768,000	5.51
7	CITIBANK NOMINEES SINGAPORE PTE LTD	12,837,300	2.86
8	JACFUN PTY. LTD.	12,500,000	2.78
9	RAFFLES NOMINEES (PTE.) LIMITED	9,073,100	2.02
10	RHB SECURITIES SINGAPORE PTE. LTD.	8,887,301	1.98
11	YALLA.DIGITAL, INC.	4,166,666	0.93
12	TEO AH BAN	3,969,000	0.88
13	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	2,336,800	0.52
14	MAYBANK KIM ENG SECURITIES PTE LTD	2,291,616	0.51
15	ZHANG CHENGSHUANG	1,860,000	0.41
16	HL BANK NOMINEES (SINGAPORE) PTE LTD	1,846,625	0.41
17	ANG KONG BENG @ ANG KONG ENG	1,800,000	0.40
18	KHOO HO TONG	1,733,250	0.39
19	LIN YONG HAN DANIEL	1,687,200	0.38
20	CHEONG MIN CHOONG	1,674,600	0.37
	TOTAL	390,445,986	86.89

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC'S HANDS

33.03% of the Company's shares are held in the hands of the public.

Accordingly, the Company has complied with Rule 723 of the Listing Manual - Section B : Rule of the Catalist of the SGX-ST.

**ASIATRavel.COM HOLDINGS LTD**

(Company Registration No. 199907534E)
(Incorporated in the Republic of Singapore)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of Asiatravel.com Holdings Ltd (“Company”) will be held at 11 Lorong 3 Toa Payoh, #04-18 Blk B Jackson Square, Singapore 319579, on Wednesday, 25 July 2018 at 10.00 a.m. to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements and Directors’ Statement of the Company and the Group for the financial period ended 31 December 2017 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$87,720 for the financial period ended 31 December 2017. (2016: S\$93,840) **(Resolution 2)**
3. To note that Mr. Tan Kheng Lee Arnold will be retiring pursuant to Regulation 104 of the Constitution of the Company and he will not be seeking for re-election at this AGM.
4. To re-elect the following Directors of the Company retiring pursuant to Regulation 108 of the Constitution of the Company:

Mr. Liu Zuming	(Resolution 3)
Mr. Wang Yongli	(Resolution 4)
Mr. Guok Chin Huat Samuel	(Resolution 5)
Mr. Tay Kah Chye	(Resolution 6)

[See Explanatory Note (i)]
5. To re-appoint Messrs Ernst & Young LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as ordinary resolutions, with or without modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Chapter 50 (“Companies Act”) and Rule 806 of the Listing Manual – Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”)**

That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares pursuant to any Instrument made or granted by the Directors while this Resolution was in force,

(“Share Issue Mandate”)

provided that:

- (1) the aggregate number of shares (including shares to be issued pursuant to the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a *pro rata* basis to existing shareholders of the Company shall not exceed fifty per centum (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
 - (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
 - (c) any subsequent bonus issue, consolidation or subdivision of shares;
- (3) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (ii)]

(Resolution 8)

8. **Authority to issue shares under The Asiatravel.com Share Option Scheme 2011 (“2011 Scheme”) and Asiatravel.com Performance Share Plan (“Share Plan”)**

That pursuant to Section 161 of the Companies Act, the Directors of the Company be authorised and empowered to:

- (a) grant options under the 2011 Scheme and grant awards in accordance with the provisions of the Share Plan; and
- (b) issue from time to time such number of shares in the share capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the 2011 Scheme and/or such number of ordinary shares as may be required to be issued pursuant to the vesting of awards under the Share Plan,

provided always that the aggregate number of shares over (i) the options that may be granted on any date under the 2011 Scheme, and/or (ii) the awards granted on any date under the Share Plan, when added to the number of shares issued and/or issuable in respect of:

- (i) all options granted under the 2011 scheme;
- (ii) all awards granted under the Share Plan; and
- (iii) all shares, options or awards granted under any other share-based incentive scheme of the Company,

shall not exceed fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

[See Explanatory Note (iii)]

(Resolution 9)

By Order of the Board

Shirley Tan Sey Liy
Company Secretary

Singapore, 9 July 2018

EXPLANATORY NOTES:

- (i) Mr. Liu Zuming will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Nominating Committee and will be considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr. Wang Yongli will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and Remuneration Committee and will be considered non-independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr. Guok Chin Huat Samuel will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

Mr. Tay Kah Chye will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee and will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

- (ii) Resolution 8 above, if passed, will empower the Directors of the Company from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, one hundred per centum (100%) of the total number of issued shares (excluding treasury shares and subsidiary holding) in the capital of the Company, of which up to fifty per centum (50%) may be issued other than on a *pro rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iii) Resolution 9 above, if passed, will empower the Directors of the Company, from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to grant options and/or awards and to issue shares in the share capital of the Company pursuant to the 2011 Scheme or the Share Plan, up to a number not exceeding in total fifteen per centum (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time.

NOTES:

1. A Member (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting ("**Meeting**") is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
2. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy in the instrument appointing the proxies.
3. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 11 Lorong 3 Toa Payoh #04-18, Block B, Jackson Square, Singapore 319579 not less than forty-eight (48) hours before the Meeting.

* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.



ASIATRAVEL.COM HOLDINGS LTD
Company Registration No. 199907534E
(Incorporated In Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)

being *a member/members of **ASIATRAVEL.COM HOLDINGS LTD ("Company")**, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

*and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	(%)
Address			

as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting ("AGM") of the Company to be held at 11 Lorong 3 Toa Payoh, #04-18 Blk B Jackson Square, Singapore 319579 on Wednesday, 25 July 2018 at 10.00 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the AGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain from voting as *he/they may think fit, as he/they will on any other matter arising at the AGM.

No.	Resolutions relating to:	No. of votes 'For'**	No. of votes 'Against'**
Ordinary Business			
1	Audited Financial Statements for the financial period ended 31 December 2017		
2	Approval of Directors' fees amounting to S\$87,720 for the financial period ended 31 December 2017		
3	Re-election of Mr. Liu Zuming as a Director		
4	Re-election of Mr. Wang Yongli as a Director		
5	Re-election of Mr. Guok Chin Huat Samuel as a Director		
6	Re-election of Mr. Tay Kah Chye as a Director		
7	Re-appointment of Messrs Ernst & Young LLP as Auditors and to authorise the Directors of the Company to fix their remuneration		
Special Business			
8	Authority to allot and issue new shares		
9	Authority to allot and issue shares under the Asiatravel.com Share Option Scheme 2011 and Asiatravel.com Performance Share Plan		

** Voting will be conducted by poll. If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Member
and/or, Common Seal of Corporate Shareholder

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a shareholder of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A Relevant Intermediary may appoint more than 2 proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified)
5. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 11 Lorong 3 Toa Payoh #04-18, Block B, Jackson Square, Singapore 319579 not less than forty-eight (48) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act (Chapter 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

GENERAL:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 9 July 2018.

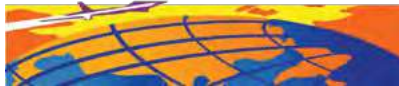


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