

Asiatravel.com



ASIATRAVEL.COM HOLDINGS LTD
(Company Registration No.: 199907534E)

APPLICATION FOR EXTENSION OF TIME TO RELEASE SECOND QUARTER FINANCIAL STATEMENT FOR THE PERIOD ENDED 30 JUNE 2018

1. Introduction

The Board of Directors ("**Board**") of Asiatravel.com Holdings Ltd ("**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 10 August 2018, through its sponsor, made an application to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for a 2-month extension to announce the Group's second quarter financial statement ("**2Q Financial Statements**") and related announcement for the period ended 30 June 2018 from the current deadline of 14 August 2018 (as required under Rule 705(2) of the SGX-ST's Listing Manual Section B: Rules of Catalist, i.e. within 45 days from 30 June 2018).

2. Basis for the Extension Application

- 2.1. The Company has been experiencing minor cash flow issues as a result of, amongst others, a breach of obligations by ZhongHong Holdings Co., Ltd. ("**ZhongHong**"), which had entered into a convertible note agreement with the Company for a principal amount of S\$10 million but has only, to date, paid S\$2.65 million (in contravention of the agreement). The Company is of the view that this is a temporary circumstance and will be eased shortly as it has since commenced legal proceedings against, amongst others, ZhongHong, for the payment of the balance amount and damages.
- 2.2. The Group has also recently restructured to focus on its strengths. It has, amongst others, (a) scaled down its business-to-consumer ("**B2C**") business by sizing down certain of its online B2C destinations; (b) shut down or suspended activities of unprofitable business units such as its transportation unit, ground handling unit, offline wholesaler units and its operations in the People's Republic of China; and (c) consolidated its efforts and energy and is now focusing on its profitable business units such as online business-to-business destinations.
- 2.3. Since its restructuring, the Company has managed to decrease losses and increase gross profit margin. Notably, in the first quarter of the financial year ended 31 December 2018 ("**FY2018**"), gross profit margin increased to 9.7% from 5.2% in the corresponding period for the financial year ended 31 December 2017 ("**FY2017**"), whilst loss before tax decreased by 12.5%.
- 2.4. Notwithstanding the above, due to the Company's minor cash flow issues, there have been multiple resignations and the Company's remaining resources are focused on its restructured operations. Particularly, save for the Company's Chief Financial Officer, Ms. Ang Yen Leng (Chelyn), the Company lacks qualified accounts and finance staff. Ms. Ang is also assisting with the Company's evaluation and consideration of a number of corporate actions, including but not limited to further equity fund raising. Additionally, as a result of the Company's ongoing legal proceedings, the Company is currently dealing with an influx of booking cancellations and credit disputes, and Ms. Ang is currently responsible for verifying all bookings and refunds. Owing to the unwarranted negative publicity, it has been hard for the Company to hire new accounts and finance staff. Nonetheless, the Company is currently looking to rehire its past accounts and finance staff on a part-time basis.

- 2.5. If the Company adheres to the original deadline for releasing its 2Q Financial Statements before, amongst others, the conclusion of the claim against ZhongHong, it would affect the 2Q Financial Statements and have potentially serious adverse consequences for the Company's business. Importantly, it would affect the Company's discussions in respect of corporate actions that it is contemplating.
- 2.6. In addition to the foregoing, the Group's audited financial statements for FY2017 were only finalised and issued by the auditors on 3 July 2018, and which statements had material variances with the unaudited financial statements. As a result, the Company requires more time to organise its 2Q Financial Statements. Indeed, the Company's results for the first quarter of FY2018 were materially different from the audited financial statements for FY2017.

3. Further Announcements

The Company will update shareholders when there are material developments relating to the matter.

4. Cautionary Statement

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders of the Company are advised to refrain from taking any action in respect of their securities in the Company, which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Chairman and Chief Executive Officer

Singapore, 10 August 2018

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement. The details of the contact person for the Sponsor are as follows:*

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