

Asiatravel.com



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

First Quarter Financial Statement And Related Announcement For The Period Ended 31st December 2016

PART I - INFORMATION REQUIRED FOR FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2016

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		% Increase / (Decrease)
	S\$'000		
	October 2016 to December 2016	October 2015 to December 2015	
Revenue			
Sales of services	24,219	24,228	#
Other items of income			
Other income	454	274	65.7
	<u>24,673</u>	<u>24,502</u>	0.7
Items of expenses			
Changes in inventories	20,890	20,404	2.4
Amortisation of intangible assets	336	310	8.4
Salaries and employee benefits	2,250	2,413	(6.8)
Depreciation of property, plant and equipment	262	251	4.4
Other operating expenses	2,800	2,715	3.1
Finance costs	39	62	(37.1)
	<u>26,577</u>	<u>26,155</u>	1.6
Loss before tax	(1,904)	(1,653)	15.2
Income tax	(10)	(12)	(16.7)
Loss net of tax	<u>(1,914)</u>	<u>(1,665)</u>	15.0
Attributable to:			
Owners of the Company	(1,678)	(1,546)	8.5
Non-controlling interests	(236)	(119)	98.3
	<u>(1,914)</u>	<u>(1,665)</u>	15.0

N/M = Not Meaningful

= Less than 0.1%

STATEMENT OF COMPREHENSIVE INCOME FOR FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 DECEMBER 2016

	GROUP		% Increase / (Decrease)
	S\$'000		
	October 2016 to December 2016	October 2015 to December 2015	
Loss net of tax	(1,914)	(1,665)	15.0
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of financial statements of foreign subsidiaries	624	(133)	N/M
Total comprehensive income for the year	(1,290)	(1,798)	(28.3)
Total comprehensive income attributable to:			
Owners of the Company	(1,054)	(1,678)	(37.2)
Non-controlling interests	(236)	(120)	96.7
Total comprehensive income for the year	(1,290)	(1,798)	(28.3)

Notes :

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

	GROUP		% Increase / (Decrease)
	S\$'000		
	October 2016 to December 2016	October 2015 to December 2015	
(a) Amortisation of intangible assets	336	310	8.4
(b) Depreciation of property, plant and equipment	262	251	4.4
(c) Foreign exchange loss / (gain), net	209	(127)	N/M
(d) Interest income	(1)	(1)	-
(e) Finance costs	39	62	(37.1)
(f) Loss on disposal of property, plant and equipment	#	22	N/M
(g) Inventories written down	28	-	N/M

N/M = Not Meaningful
- Less than S\$1,000

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group S\$'000		Company S\$'000	
	31/12/2016	30/09/2016	31/12/2016	30/09/2016
Intangible assets	7,859	7,746	4,320	4,317
Property, plant and equipment	4,655	4,882	106	144
Investment in subsidiaries	-	-	6,541	6,541
Other investments	85	85	-	-
Deferred tax assets	18	5	-	-
	12,617	12,718	10,967	11,002
Current Assets				
Inventories	4,052	4,205	-	-
Trade receivables	11,904	10,763	701	1,195
Prepaid operating expenses	2,877	1,920	973	180
Other receivables	8,261	7,887	5,701	5,308
Amounts due from subsidiaries	-	-	28,136	17,957
Fixed deposits and cash pledged	2,132	2,066	1,967	1,906
Cash and cash equivalents	12,404	3,932	1,727	1,844
	41,630	30,773	39,205	28,390
Current Liabilities				
Trade payables	8,231	5,255	-	-
Deferred income	3,827	4,380	285	260
Other payables	8,381	7,836	2,835	2,123
Amounts due to subsidiaries	-	-	17,100	15,519
Obligations under finance leases	881	966	34	33
Income tax payable	31	24	-	-
	21,351	18,461	20,254	17,935
Net Current Assets	20,279	12,312	18,951	10,455
Non-Current Liabilities				
Obligations under finance leases	518	673	123	132
Deferred tax liabilities	3	3	-	-
Net Assets	32,375	24,354	29,795	21,325
Equity attributable to owners of the Company				
Share capital and treasury shares	69,239	59,928	69,239	59,928
Reserves	(37,944)	(36,890)	(39,444)	(38,603)
Shareholders' equity	31,295	23,038	29,795	21,325
Non-controlling interests	1,080	1,316	-	-
Total equity	32,375	24,354	29,795	21,325

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

Amount repayable in one year or less, or on demand

As at 31/12/2016		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
881	NIL	966	NIL

Amount repayable after one year

As at 31/12/2016		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
518	NIL	673	NIL

Details of any collateral

S\$1.40 million of obligation under hire purchase lease has been pledged against the Group's fleet of vehicles.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	01/10/2016 to 31/12/2016 S\$'000	01/10/2015 to 31/12/2015 S\$'000
Cash flows from operating activities :		
Loss before income tax and non-controlling interests	(1,904)	(1,653)
Adjustments for :		
Depreciation of property, plant and equipment	262	251
Amortisation of intangible assets	336	310
Interest expense	39	62
Interest income	(1)	(1)
Inventories written off	28	-
Loss on disposal of property, plant and equipment	#	22
Exchange loss / (gain) - unrealised	265	(127)
Translation adjustment	49	5
Operating cash flows before changes in working capital	(926)	(1,131)
Changes in working capital		
Decrease increase in inventories	125	496
Increase in receivables and prepaid operating expenses	(2,470)	(1,741)
Increase in payables	2,967	2,687
Cash (used in) / generated from operations	(304)	311
Interest paid	(39)	(62)
Interest received	1	1
Income tax paid	(18)	(22)
Net cash flows (used in) / generated from operating activities	(360)	228
Cash flows from investing activities :		
Purchase of property, plant and equipment	(21)	(73)
Additional to intangible assets	(307)	(229)
Decrease in fixed deposit pledged	-	129
Net cash flows used in investing activities	(328)	(173)
Cash flows from financing activities :		
Repayment of obligations under finance leases	(240)	(222)
Proceeds from issuance of new shares, net of expenses	9,377	-
Net proceeds from conversion of warrants	-	2
Payment for treasury shares	(66)	-
Net cash flows generated / (used in) from financing activities	9,071	(220)
Net increase / (decrease) in cash and cash equivalents	8,383	(165)
Cash and cash equivalents at the beginning of year	3,932	6,074
Effects of exchange rate changes on cash and cash equivalents	89	(40)
Cash and cash equivalents at end of the period	12,404	5,869
Fixed deposit and cash pledged	2,132	2,904
Total cash balance	14,536	8,773

- Less than S\$1,000/-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2017									
Balance at 1 October 2016	64,061	(4,133)	(36,739)	(1,537)	1,372	14	(36,890)	1,316	24,354
Loss net of tax	-	-	(1,678)	-	-	-	(1,678)	(236)	(1,914)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	624	-	-	624	-	624
Total comprehensive income for the period	-	-	(1,678)	624	-	-	(1,054)	(236)	(1,290)
Others									
Payment for treasury shares	-	(66)	-	-	-	-	-	-	(66)
Proceed from issuance of new shares, net of expenses	9,377	-	-	-	-	-	-	-	9,377
Total Others	9,377	(66)	-	-	-	-	-	-	9,311
Balance at 31 December 2016	73,438	(4,199)	(38,417)	(913)	1,372	14	(37,944)	1,080	32,375

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2016									
Balance at 1 October 2015	56,105	(3,124)	(28,792)	(1,008)	1,372	13	(28,415)	2,203	26,769
Loss net of tax	-	-	(1,546)	-	-	-	(1,546)	(119)	(1,665)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	(132)	-	-	(132)	(1)	(133)
Total comprehensive income for the period	-	-	(1,546)	(132)	-	-	(1,678)	(120)	(1,798)
Others									
Proceed from conversion of warrants	3	-	-	-	-	-	-	-	3
Share issuance expenses	(1)	-	-	-	-	-	-	-	(1)
Total Others	2	-	-	-	-	-	-	-	2
Balance at 31 December 2015	56,107	(3,124)	(30,338)	(1,140)	1,372	13	(30,093)	2,083	24,973

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
2017						
Balance at 1 October 2016	64,061	(4,133)	(38,617)	14	(38,603)	21,325
Loss net of tax	-	-	(841)	-	(841)	(841)
Total comprehensive income for the period	-	-	(841)	-	(841)	(841)
Contribution by and distributions to owners						
Payment for treasury shares	-	(66)	-	-	-	(66)
Proceed from issuance of new shares, net of expenses	9,377	-	-	-	-	9,377
Total contribution by and distributions to owners	9,377	(66)	-	-	-	9,311
Balance at 31 December 2016	73,438	(4,199)	(39,458)	14	(39,444)	29,795

Company	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
2016						
Balance at 1 October 2015	56,105	(3,124)	(33,777)	13	(33,764)	19,217
Loss net of tax	-	-	(899)	-	(899)	(899)
Total comprehensive income for the period	-	-	(899)	-	(899)	(899)
<u>Contribution by and distributions to owners</u>						
Proceed from conversion of warrants	3	-	-	-	-	3
Share issuance expenses	(1)	-	-	-	-	(1)
Total contribution by and distributions to owners	2	-	-	-	-	2
Balance at 31 December 2015	56,107	(3,124)	(34,676)	13	(34,663)	18,320

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Details of any changes in the Group's issued share capital		Number of Ordinary Shares	Paid-up Capital S\$
As at 1 October 2016	Issued and fully paid ordinary shares at beginning of financial period	386,176,886	60,273,100
3 October 2016	Purchase of treasury shares @ S\$0.14687 from open market	8,500	1,292
5 October 2016	Purchase of treasury shares @ S\$0.14200 from open market	10,000	1,463
6 October 2016	Purchase of treasury shares @ S\$0.14200 from open market	130,000	18,997
7 October 2016	Purchase of treasury shares @ S\$0.14000 from open market	40,000	5,645
10 October 2016	Purchase of treasury shares @ S\$0.12987 from open market	10,000	1,342
11 October 2016	Purchase of treasury shares @ S\$0.12468 from open market	25,000	3,161
12 October 2016	Purchase of treasury shares @ S\$0.12721 from open market	26,100	3,364
13 October 2016	Purchase of treasury shares @ S\$0.13444 from open market	45,000	6,095
14 October 2016	Purchase of treasury shares @ S\$0.13444 from open market	25,000	3,479
17 October 2016	Purchase of treasury shares @ S\$0.13720 from open market	25,000	3,474
18 October 2016	Purchase of treasury shares @ S\$0.13000 from open market	25,000	3,295
19 October 2016	Purchase of treasury shares @ S\$0.13000 from open market	12,000	1,603
20 October 2016	Purchase of treasury shares @ S\$0.13700 from open market	30,000	4,155
28 November 2016	Issuance of new shares to ZhongHong New World International Limited @ S\$0.20 each.	47,000,000	9,400,000
27 December 2016	Purchase of treasury shares @ S\$0.07038 from open market	30,000	2,155
28 December 2016	Purchase of treasury shares @ S\$0.06800 from open market	30,000	2,084
29 December 2016	Purchase of treasury shares @ S\$0.07398 from open market	30,000	2,263
As at 31 December 2016	Issued and fully paid ordinary shares at end of financial period	432,675,286	69,609,233

Note : There were 17,059,000 Treasury Shares as at 31 December 2016 and 10,646,000 shares as at 31 December 2015.

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

Save as disclosed above, there have been no bonus or other issues of shares during the period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Ordinary Shares	Number of Ordinary Shares
	31/12/2016	30/09/2016
Total number of issued shares excluding treasury shares	432,675,286	386,176,886

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to treasury shares.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

N/A

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than as mentioned in Section 5 regarding the adoption of new and revised Singapore Financial Reporting Standards, the same accounting policies and methods of computation have been applied as of the most recently audited annual financial statements.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all new and revised Singapore Financial Reporting Standards (FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016. The adoption of the new and revised FRS had no significant impact on the financial statements of the Group.

- 6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	GROUP	
	Oct 2016 to Dec 2016	Oct 2015 to Dec 2015
Loss per Ordinary Share for the full-year based on net profit attributable to shareholders:-		
(i) Based on the weighted average number of ordinary shares on issue	(0.42) cts	(0.44) cts
(ii) On a fully diluted basis	(0.42) cts	(0.44) cts

The basic loss per share (LPS) is computed based on the weighted average number of shares in issue of 402,669,544 shares during this period (1QFY2016: 350,588,286).

The financial effect of share options issued has been disregarded in the calculation for dilutive LPS for the period as they are anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	GROUP	
	As at 31 December 2016	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	7.23 cts	5.97 cts

	COMPANY	
	As at 31 December 2016	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	6.89 cts	5.52 cts

The Net Assets Value per Ordinary Share is computed on the number of 432,675,286 shares in issue as at 31 December 2016 and 386,176,886 shares as at 30 September 2016.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

The Group's revenue remained at S\$24.2 million for the current financial period under review comparable to the corresponding financial period in FY 2016.

The revenue of the following businesses has recorded an increase in the current period under review:

- 1) Online B2B business (TACentre.com) increased by 64.5% (S\$3.5 million) from S\$5.5 million in FY2016 to S\$9.0 million in FY2017; and
- 2) Offline wholesale business increased by 18.8% (S\$0.5 million) from S\$2.8 million in FY2016 to S\$3.3 million in FY2017.

The Group's current focus is to grow its online B2B business which is generating a very healthy growth rate.

However, the increase in revenue is offset by the other businesses mentioned below.

The revenue of the Group's online B2C reservation business decreased by 31.0% (S\$2.3 million) from S\$7.4 million in FY2016 to S\$5.1 million in FY2017 and the Group's online flight and tour package business decreased by 13.8% (S\$0.5 million) from S\$3.5 million in FY2016 to S\$3.0 million in FY2017.

The Group's trade payables increased by S\$3.0 million. The increase was mainly due to stronger seasonal bookings in December 2016 as compared to September 2016.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No specific forecast or prospect statement was previously disclosed.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

The Group is in its final stage of repositioning itself as a China-centric online player in the PRC with the launch of a China-centric B2C platform (atrip.com) and B2B platform (TACentre.cn). The Group is now in discussion to acquire 3 PRC companies with approved e-commerce and Travel license to formalize the Group's corporate structure in the PRC.

In line with this, the Group will be changing its financial year end from September to December in FY2017. This is to improve the management of the Company's internal processes, smoother flow of its operations which will result in better administrative and operational efficiencies. The change is to conform to reporting requirements imposed by China's regulatory bodies and will better reflect the expected significant growth in business from January 2017.

We believe as a China centric player, we have greater opportunities to continue our growth and enhance shareholder value.

11. **Dividend**

(a) Current Financial Period Reported On

Name of Dividend NA
Dividend Type
Dividend Amount per Share (in cents)
Tax Rate

(b) Corresponding Period of the Immediately Preceding Financial Year

Name of Dividend NA
Dividend Type
Dividend Amount per Share (in cents)
Tax Rate

(c) Date payable

NA

(d) Books closure date

NA

12. **If no dividend has been declared/recommended, a statement to that effect.**

No final dividend has been declared.

13. **If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

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

14. Use of proceeds from placement

Further to the Company's announcement made on 8 June 2015 relating to the completion of the placement, the Company wishes to provide an update on the utilisation of the net proceeds from the placement of approximately S\$8,120,000.

The Company has fully utilised the placement funds for its general working capital which is inline with the intended use of the net proceeds stated in the Announcement made on 27 November 2015.

Further to the Company's announcement made on 24 November 2016 relating to the completion of the placement, the Company wishes to provide an update on the utilisation of the net proceeds from the placement of approximately S\$9,377,000.

The Company has utilised S\$500,000 for its expansion of operations in the PRC which is inline with the intended use of the net proceeds stated in the announcement on 24 November 2016.

15. Confirmation by the Board pursuant to Rule 720(1) of the Listing manual

The Company has procured undertakings from all the Directors and Executives Officers of the Company under Rule 720(1).

16. Confirmation by the Board

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 31 December 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Director
(14/02/2017)

Heng Su-Ling, Mae
Independent Director
(14/02/2017)

This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The details of the contact person for the Sponsor is:-

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