

Asiatravel.com



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

**Fourth Quarter Financial Statement And Related Announcement For The
Period Ended 30 September 2017**

**PART I - INFORMATION REQUIRED FOR FOURTH QUARTER RESULTS FOR THE PERIOD
ENDED 30 SEPTEMBER 2017**

- 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		%
	S\$'000	S\$'000	
	July 2017 to Sept 2017	July 2016 to Sept 2016	Increase / (Decrease)
Revenue			
Sales of services	20,870	23,468	(11.1)
Other items of income			
Other income	58	2,599	N/M
	<u>20,928</u>	<u>26,067</u>	(19.7)
Items of expenses			
Changes in inventories	18,797	21,203	(11.3)
Amortisation of intangible assets	205	465	(55.9)
Salaries and employee benefits	3,550	3,014	17.8
Depreciation of property, plant and equipment	322	269	19.7
Other operating expenses	2,758	3,504	(21.3)
Finance costs	16	49	(67.3)
	<u>25,648</u>	<u>29,441</u>	(12.9)
Loss before tax	(4,720)	(3,374)	39.9
Income tax	(7)	-	N/M
Loss net of tax	<u>(4,727)</u>	<u>(3,374)</u>	40.1
Attributable to:			
Owners of the Company	(4,682)	(3,193)	46.6
Non-controlling interests	(45)	(181)	(75.1)
	<u>(4,727)</u>	<u>(3,374)</u>	40.1

N/M = Not Meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR THIRD QUARTER RESULTS FOR THE PERIOD ENDED 30 JUNE 2017

	GROUP		
	July 2017 to Sept 2017	July 2016 to Sept 2016	% Increase / (Decrease)
Loss net of tax	(4,727)	(3,374)	40.1
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of financial statements of foreign subsidiaries	(110)	83	N/M
Total comprehensive income for the year	(4,837)	(3,291)	47.0
Total comprehensive income attributable to:			
Owners of the Company	(4,792)	(3,110)	54.1
Non-controlling interests	(45)	(181)	N/M
Total comprehensive income for the year	(4,837)	(3,291)	47.0

Notes :

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

	GROUP		
	July 2017 to Sept 2017	July 2016 to Sept 2016	% Increase / (Decrease)
(a) Amortisation of intangible assets	205	465	(55.9)
(b) Depreciation of property, plant and equipment	322	269	19.7
(c) Foreign exchange loss, net	(189)	(376)	(49.7)
(d) Interest income	(1)	(5)	N/M
(e) Finance costs	16	49	(67.3)
(f) Inventories written off	-	9	N/M
(g) Loss on disposal of property, plant and equipment	10	(1)	N/M
(h) Impairment of intangible assets	-	535	N/M
(i) Impairment of property, plant and equipment	-	402	N/M

N/M = Not Meaningful

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	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
Intangible assets	14,198	7,746	4,281	4,317
Property, plant and equipment	4,246	4,882	31	144
Investment in subsidiaries	-	-	7,969	6,541
Other investments	85	85	-	-
Deferred tax assets	69	5	-	-
	18,598	12,718	12,281	11,002
Current Assets				
Inventories	3,491	4,205	-	-
Trade receivables	13,361	10,763	1,964	1,195
Prepaid operating expenses	2,634	1,920	301	180
Other receivables	3,290	7,887	440	5,308
Amounts due from subsidiaries	-	-	35,580	17,957
Fixed deposits and cash pledged	2,069	2,066	1,901	1,906
Cash and cash equivalents	3,599	3,932	1,399	1,844
	28,444	30,773	41,585	28,390
Current Liabilities				
Trade payables	8,744	5,255	-	-
Deferred income	4,422	4,380	409	260
Other payables	12,990	7,836	4,520	2,123
Amounts due to subsidiaries	-	-	17,619	15,519
Obligations under finance leases	500	966	35	33
Income tax payable	11	24	-	-
	26,667	18,461	22,583	17,935
Net Current Assets	1,777	12,312	19,002	10,455
Non-Current Liabilities				
Obligations under finance leases	160	673	97	132
Deferred tax liabilities	3	3	-	-
Net Assets	20,212	24,354	31,186	21,325
Equity attributable to owners of the Company				
Share capital and treasury shares	68,593	59,928	68,593	59,928
Reserves	(48,992)	(36,890)	(37,407)	(38,603)
Shareholders' equity	19,601	23,038	31,186	21,325
Non-controlling interests	611	1,316	-	-
Total equity	20,212	24,354	31,186	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 30/09/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
500	NIL	966	NIL

Amount repayable after one year

As at 30/09/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
160	NIL	673	NIL

Details of any collateral

The Group's fleet of vehicles has been pledged as collaterals for the S\$0.66 million of obligation under the hire purchase lease.

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.

	01/07/2017 to 30/09/2017 S\$'000	01/07/2016 to 30/09/2016 S\$'000
Cash flows from operating activities :		
Loss before income tax and non-controlling interests	(4,720)	(3,374)
Adjustments for :		
Depreciation of property, plant and equipment	322	269
Amortisation of intangible assets	205	465
Interest expense	16	49
Interest income	(1)	(5)
Exchange (gain) / loss - unrealised	(230)	106
Share based compensation	-	1
Impairment of intangible assets	-	535
Impairment of property, plant and equipment	-	402
Bad debts written off	10	15
Inventory written off	-	9
Loss / (gain) on disposal of property, plant and equipment	10	(1)
Operating cash flows before changes in working capital	(4,388)	(1,529)
Changes in working capital		
Decrease in inventories	1,384	204
Increase in receivables and prepaid operating expenses	(2,093)	(2,672)
Increase in payables	4,514	229
Decrease in amount due to related parties	-	(5)
Cash used in operations	(583)	(3,773)
Interest paid	(16)	(49)
Interest received	1	5
Income tax paid	(1)	(5)
Translation adjustment	91	(18)
Net cash flows used in operating activities	(508)	(3,840)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(10)	(142)
Addition to intangible assets	(1,208)	(499)
Increase in fixed deposit pledged	-	(6)
Net cash flows used in investing activities	(1,218)	(647)
Cash flows from financing activities :		
Proceeds from convertible note	2,200	-
Repayment of obligations under finance leases	(172)	(236)
Issuance of new shares, net of expenses	(45)	(166)
Payment for treasury shares	-	(385)
Net cash flows generated from / (used in) financing activities	1,983	(787)
Net increase / (decrease) in cash and cash equivalents	257	(5,274)
Cash and cash equivalents at the beginning of period	3,342	9,205
Effects of exchange rate changes on cash and cash equivalents	-	1
Cash and cash equivalents at end of the period	3,599	3,932
Fixed deposit and cash pledged	2,069	2,066
Total cash balance	5,668	5,998

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.

<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
2017									
Balance at 1 July 2017	72,837	(4,199)	(46,357)	(1,429)	1,372	14	(46,400)	656	22,894
Loss net of tax	-	-	(4,682)	(110)	-	-	(4,792)	(45)	(4,837)
Total comprehensive income for the period	-	-	(4,682)	(110)	-	-	(4,792)	(45)	(4,837)
Others									
Expenses for issuance of new shares	(45)	-	-	-	-	-	-	-	(45)
Capital injection from controlling shareholder	-	-	-	-	2,200	-	2,200	-	2,200
Total Others	(45)	-	-	-	2,200	-	2,200	-	2,155
Balance at 30 September 2017	72,792	(4,199)	(51,039)	(1,539)	3,572	14	(48,992)	611	20,212

<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 July 2016	64,227	(3,748)	(33,546)	(1,620)	1,372	13	(33,781)	1,497	28,195
Loss net of tax	-	-	(3,193)	-	-	-	(3,193)	(181)	(3,374)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	83	-	-	83	-	83
Total comprehensive income for the period	-	-	(3,193)	83	-	-	(3,110)	(181)	3,291
Contributions by and distributions to owners									
Grant of equity-settled share options to employee	-	-	-	-	-	1	1	-	1
Total contributions by and distributions to owners	-	-	-	-	-	1	1	-	1
Others									
Proceeds from issuance of new shares, net of expenses	(166)	-	-	-	-	-	-	-	(166)
Purchase of treasury shares	-	(385)	-	-	-	-	-	-	(385)
Total others	(166)	(385)	-	-	-	-	-	-	(551)
Balance at 30 September 2016	64,061	(4,133)	(36,739)	(1,537)	1,372	14	(36,890)	1,316	24,354

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Capital reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
2017							
Balance at 1 July 2017	72,837	(4,199)	(37,754)	14	-	(37,740)	30,898
Loss net of tax	-	-	(1,867)	-	-	(1,867)	(1,867)
Total comprehensive income for the period	-	-	(1,867)	-	-	(1,867)	(1,867)
<u>Contribution by and distributions to owners</u>							
Capital injection from controlling shareholder	-	-	-	-	2,200	-	2,200
Expenses for issuance of new shares	(45)	-	-	-	-	-	(45)
Total contribution by and distributions to owners	(45)	-	-	-	2,200	-	(2,155)
Balance at 30 September 2017	72,792	(4,199)	(39,621)	14	2,200	(37,407)	31,186

<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
2016						
Balance at 1 July 2016	64,227	(3,748)	(34,855)	13	(34,842)	25,637
Loss net of tax	-	-	(3,762)	-	(3,762)	(3,762)
Total comprehensive income for the period	-	-	(3,762)	-	(3,762)	(3,762)
<u>Contribution by and distributions to owners</u>						
Grant of equity-settled share options to employees	-	-	-	1	1	1
Total contribution by and distributions to owners	-	-	-	1	1	1
Total transactions with owners in their capacity as owners	-	-	-	1	1	1
<u>Others</u>						
Proceeds from issuance of new shares, net of expenses	(166)	-	-	-	-	(166)
Purchase of treasury shares	-	(385)	-	-	-	(385)
Total others	(166)	(385)	-	-	-	(551)
Balance at 30 September 2016	64,061	(4,133)	(38,617)	14	(38,603)	21,325

- 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 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 and subsidiary holdings, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 July 2017 and as at 30 September 2017	Issued and fully paid ordinary shares at beginning and at end of financial period	432,645,186	69,210,089

Note : There were 17,089,100 Treasury Shares as at 30 September 2017 and 16,557,400 Treasury Shares as at 30 September 2016.

The number of shares that may be issued on conversion of all outstanding options granted pursuant to the Employees' Share Option Scheme amounted to 1,140,000 as at 30 September 2017 and 300,000 as at 30 September 2016.

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
	30/09/2017	30/09/2016
Total number of issued shares excluding treasury shares	432,645,186	386,176,886

- 1(d)(iv) A statement showing all sales, transfers, 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.

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 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	
Loss per Ordinary Share for the full-year based on net profit attributable to shareholders:-	Jul 2017 to Sept 2017	Jul 2016 to Sept 2016
(i) Based on the weighted average number of ordinary shares on issue	(1.08) cts	(0.82) cts
(ii) On a fully diluted basis	(1.08) cts	(0.82) cts

The basic loss per share (LPS) is computed based on the weighted average number of shares in issue of 432,645,186 shares during this period (4QFY2016: 387,226,284).

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 30 September 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	4.53 cts	5.97 cts

	COMPANY	
	As at 30 September 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	7.21 cts	5.52 cts

The Net Asset Value per Ordinary Share is computed based on the number of 432,645,186 shares in issue as at 30 September 2017 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 decreased by 11.1% (S\$2.6 million) to S\$20.9 million for the current financial period under review when compared to S\$23.5 million in the corresponding financial period in FY 2016 as the Group's core online hotel reservation business which decreased by 53.2% (S\$7.5 million) to S\$6.6 million for the current financial period under review when compared to S\$14.1 million in the corresponding financial period in FY2016 following the scale back on its advertising and promotion ("A&P") spending to focus on its B2B channel. However, the decrease in the Group's core online hotel reservation business was offset by the increase in the Group's B2B business (TACentre.com) which recorded a growth of 52.1% (S\$4.9 million) to S\$14.3 million for the current financial period under review when compared to S\$9.4 million in the corresponding financial period in FY2016.

The Group's other income decreased by S\$2.5 million due to no service fee billed for the technical support business in this quarter of FY2017.

The Group's changes in inventories (Cost of Services) decreased by 11.3% which is in tandem with the decrease in the Group's revenue.

The Group's amortisation of intangible assets decreased by 55.9% (S\$0.26 million) due to completion of amortisation of certain software development costs.

The Group's salaries and employee benefits increased by 17.8% (S\$0.54 million) mainly due to the staff head count in the Group's China office effective from January 2017. Despite having additional business costs incurred by the Group's China office, the Group's other operating expenses decreased by 21.3% (S\$0.75 million) due to reduction in A&P expenses.

The Group's loss before tax increased by 39.9% (S\$1.3 million) from S\$3.4 million in the corresponding financial period in FY2016 to S\$4.7 million for the current financial period under review in FY2017. The Convertible Note Agreement signed on 16 May 2017 of S\$10 million mainly to finance travel product bulk purchase programs would strengthen our product competitiveness.

The Group's intangible assets increased by 83.3% (S\$6.5 million) from S\$7.7 million in FY2016 to S\$14.2 million in FY2017 mainly due to the software development costs in the China subsidiaries.

The Group's trade receivables increased by 24.1% (S\$2.6 million) in tandem with the increase in the Group's B2B business.

The Group's trade payables and other payables increased by 66.3% (S\$3.5 million) and 65.8% (S\$5.2 million) respectively mainly due to the increase in the Group's B2B business.

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 has focused on its B2B business to mitigate the losses from its B2C business. To-date, we have several sizable international agents that has signed up with TACentre.com ("TAC"), our B2B division. Although the margin from B2B business is lower than B2C business, the Group is able to cut down on its A&P expenditures as B2C business rely heavily on A&P activities to generate revenue. B2B business on the contrary has lower business costs and the combined sales volume generated by the TAC agencies has exceeded the Group's B2C business. Going forward, the Group will focus on growing its B2B business and the Group has several other international agents awaiting to be connected to the Group's inventories and network across S.E Asia.

The Group expects to complete the S\$10 million convertible note agreement by end December 2017 as announced on 2 August 2017. To date, the Group has received partial payments amounting to S\$2.4 million. The Group will then continue to scale up its operation and revenue growth. The Group is also in discussion with various parties to introduce new product lines so that to optimize its current network and resources and work on return to profitability.

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 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. 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).

15. 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 30 September 2017 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Director
(14/11/2017)

Heng Su-Ling, Mae
Independent Director
(14/11/2017)

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:-

Name: Mr. Mah How Soon, (Registered Professional, RHT Capital Pte. Ltd.)
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