

Asiatravel.com



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

BUSINESS UPDATE AND PROPOSED RESTRUCTURING EXERCISE

1. INTRODUCTION

The board of directors (the “**Directors**” or the “**Board**”) of Asiatravel.com Holdings Ltd (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company has undertaken a comprehensive review of its various business lines and units. It intends to undertake a restructuring exercise to divest, close and scale down loss making business lines and subsidiaries and focus on the Group’s profitability.

2. PROPOSED RESTRUCTURING EXERCISE

- (a) The Group intends to scale down its B2C business and move its current central operational centre in Singapore to the Philippines. The Group intends to close B2C units in all other operating destinations and manage its B2C operations from the Philippines. The Group holds a leading position and enjoys significant market share in Philippines. Therefore, having its central operational centre in the Philippines will strengthen and grow its operations in the Philippines to contribute to the Group’s profitability.
- (b) The Group will significantly ramp up its B2B business as it has recorded a compound annual growth rate of more than 50% since its launch in 2012. The Group expects the increase in revenue from its B2B business to offset the decline in revenue following the scaling down of the Group’s B2C business.
- (c) The Group intends to dispose its 50% owned loss making offline wholesaling units.
- (d) The Group is reviewing its transportation and ground tour operations and feasibility in outsourcing or other options for these services in order to reduce maintenance costs and strengthen cash flow.

With the restructuring, the Group’s operating expenditures is expected to be significantly reduced and the Group can have more resources to launch an Augmented Reality (“**AR**”) digital tour project with a technology partner, of which more details will be announced in a separate press release. We believe this can be game changer for the Group as this is a revolutionary new product and the Company will have the first mover’s advantage.

3. FINANCIAL IMPACT OF THE PROPOSED RESTRUCTURING EXERCISE

With the proposed restructuring exercise, the Group expects material impact on its financials. However, substantial portion of this impact will be non-cash items. After the completion of the restructuring exercise, the Group will have a much leaner organisational structure and balance sheet which is expected to improve its cash flow.

The Company will provide further updates on this proposed restructuring exercise in due course.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Chairman and Chief Executive Director
14 February 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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