



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

---

## **ENTRY INTO CONVERTIBLE FACILITY AGREEMENT**

---

### **INTRODUCTION**

The Board of Directors (“**Board**”) of Asiatravel.com holdings Ltd (“**Company**”, and together with its subsidiaries, “**Group**”) wishes to announce that the Company had on 23 July 2020 entered into a convertible facility agreement (“**Convertible Facility Agreement**”) with Sky Smart Venture Limited (“**Lender**”) for a convertible loan facility of an aggregate principal amount of up to S\$1.6 million (“**Convertible Facility**”).

### **INFORMATION ON THE LENDER**

The Lender is an International Business Company incorporated under the laws of Seychelles and a private financial investor. The Lender has confirmed to the Company that neither it nor any of its directors and/or shareholders are related in any way to the Directors and/or substantial shareholders of the Company. The Lender is not a shareholder of the Company (“**Shareholder**”) as at the date hereof.

### **RATIONALE FOR THE CONVERTIBLE FACILITY**

The Convertible Facility Agreement was entered into to obtain immediate and urgent funding for the Company’s day-to-day operations. This is taking into account that the Company is unable to draw down on the Business Quick Start Financing (as defined in the Company’s announcement dated 10 June 2019) from UGP Limited, of which the Board intends to obtain legal advice before deciding on its next steps. The funding is also required to allow the Company to engage with the Lender to arrive at a restructuring plan (including with a view to resumption of trading).

### **PRINCIPAL TERMS OF THE CONVERTIBLE FACILITY AGREEMENT**

The principal terms of the Convertible Facility Agreement is set out below:

Amount	The Conversion Facility comprises an aggregate amount of up to S\$1.6 million.
Interest Rate	The Convertible Facility shall bear interest at the rate of 10.0% per annum on the outstanding amount, comprising principal, interest and expenses agreed to be borne by the Company (“ <b>Outstanding Amount</b> ”).  Interest is payable in cash and accrues on a daily basis on the basis of a 365-day year, subject to the Conversion Right (defined below).
Use of Convertible Facility	The Company is required to identify such costs and expenses to be paid or incurred that the Company considers necessary for its day-to-day operations and put forth a utilisation request to draw down the Convertible Facility. The Lender is entitled to, acting reasonably, decline, or accept in

	<p>whole or in part, such utilisation request, and shall as soon as reasonably practicable thereafter, deposit or cause to deposit the necessary amount(s) into the trust account corresponding to the accepted portion of the utilisation request.</p>
Repayment Terms	<p>Repayment of the Outstanding Amount is required to be made upon written demand given by the Lender to the Company, which can only be issued three (3) months after the date of the Convertible Facility Agreement.</p> <p>The Outstanding Amount can however be declared to be immediately due and payable upon occurrence of an event of termination as elaborated further below. Prepayment would be allowed with the approval of the Lender.</p>
Conversion Right	<p>Repayment of the Outstanding Amount can also be made in the form of new shares in the capital of the Company ("<b>New Shares</b>"), arising from a conditional debt-to-equity conversion right ("<b>Conversion Right</b>") of the Lender.</p> <p>This Conversion Right shall only arise and be exercisable after the Company obtains all necessary clearances, approvals and/or consents of all requisite regulatory authorities, third-parties and Shareholders, each as applicable, including in respect of the issuance, listing and/or quotation of New Shares arising from the exercise of the Conversion Right.</p> <p>The Conversion Right, if it arises, can be exercised in whole or in part up to the maximum extent, but expires on the date falling two (2) years from the date on which resumption of trading ("<b>Resumption of Trading</b>") occurs in respect of the shares of the Company ("<b>Shares</b>").</p>
Subscription Right	<p>The Convertible Facility Agreement also provides for a conditional right ("<b>Subscription Right</b>") for the Lender to subscribe for further New Shares, in cash, for an aggregate subscription amount of S\$5.0 million.</p> <p>The Subscription Right shall only arise and be exercisable after the Company obtains all necessary clearances, approvals and/or consents of all requisite regulatory authorities, third-parties and Shareholders, each as applicable, in respect of the issuance, listing and/or quotation of New Shares arising from the exercise of the Subscription Right.</p> <p>The Subscription Right, if it arises, can be exercised in whole or in part up to the maximum extent, but expires on the date falling two (2) years from the date of Resumption of Trading.</p>
Issue Price of New Shares	<p>Each New Share is to be issued at S\$0.001 ("<b>Issue Price</b>"), which represents a discount of 96.3% to the last traded price of the Shares of \$0.027 as at 2 July 2018, being the last trading date of the Shares prior to the suspension of trading.</p> <p>The Issue Price is to be adjusted should there be developments affecting the capital structure of the Company, such as where there is any rights issues, sub-division or consolidation of the Shares.</p>
Events of Termination	<p>The Convertible Facility Agreement can be terminated at any time by the Lender in the circumstances described in Schedule 1 annexed hereto, following which the Lender is able to, after the applicable grace period (if</p>

	<p>any), declare that the Outstanding Amount be immediately due and payable.</p> <p>Likewise, the Company is able to serve a notice to terminate the Convertible Facility Agreement in certain circumstances as described in Schedule 1.</p>
Other Key Terms	<p>The Company has, in consideration of the grant of the Convertible Facility, agreed to be bound by certain covenants and restrictions for a period of one (1) year from the execution of the Convertible Facility Agreement, such as to ensure that the Group is compliance with all laws and regulations, its payment obligations under the Convertible Facility Agreement rank at least <i>pari passu</i> with all present and future payment obligations, and also a negative pledge which requires the Company to seek the consent of the Lender should it seek to, <i>inter alia</i>, create or allow the existence of any security over the Group's assets.</p> <p>The Company has also agreed to seek the continued tenure of Mr. Boh Tuang Poh as its Director and/or Chief Executive Officer, and acting reasonably consider such individual(s) proposed by the Lender to serve as a Director of the Company.</p> <p>To the extent permitted by applicable laws, the Listing Manual (Section B: Rules of Catalist) of the SGX-ST ("<b>Catalist Rules</b>") and the Singapore Code on Take-Overs and Mergers ("<b>Code</b>"), the Lender shall be entitled (but not obliged) to collaborate with other interested parties to participate in the transactions described in the Convertible Facility Agreement.</p>

#### **INTENDED USE OF PROCEEDS OF THE CONVERTIBLE FACILITY**

The amounts disbursed under the Convertible Facility are to be applied towards the general working capital requirements which are incurred in the ordinary course of business of the Company. Periodic updates would be announced on the amounts drawn down under the Convertible Facility and the utilisation of such amounts.

#### **APPLICATION UNDER SECTION 211E OF COMPANIES ACT; SECURITY ARRANGEMENT**

Under the Convertible Facility Agreement, the Company has agreed in favour of the Lender that, as part of an application under Section 211E of the Companies Act (Cap. 50) of Singapore which seeks to confer super priority for rescue financing, an application can be made to the Singapore Courts for security to be granted in favour of the Lender in respect of the Company's software platform known as "B2B Operating Sales System (TAcetre and Savio Staff Travel)" and "B2C Operating Sales System (Asiatravel.com)".

The Lender may assign all or any of its rights or transfer any of its rights by way of security under the Convertible Facility Agreement to any party without prior written consent of the Company.

The Company shall be responsible for any filings or other steps (including to seek any necessary clearances, approvals and/or consents such as from Shareholders) required to create or perfect this security arrangement.

#### **CIRCULAR TO SHAREHOLDERS**

The issue and allotment of the New Shares pursuant to the Conversion Right and Subscription Right can potentially result in a transfer of controlling interest to the Lender, of which prior approval of Shareholders would be required. Shareholders' approval is thus intended to be sought for the above and the other transactions contemplated under the Convertible Facility Agreement requiring the approval of Shareholders, including the Subscription Right, Conversion Right, the issuance of New Shares at the Issue Price, and in connection with a waiver proposed to be sought from the Securities Industry Council ("**SIC**") on the requirement for the Lender

and its concert parties to make a general offer for the Shares under Rule 14 of the Singapore Code on Take-Overs and Mergers.

Further information is intended to be set out in a circular to Shareholders.

## **FURTHER UPDATES**

The Company will update Shareholders as and when there are material developments relating to any of the above-mentioned matters.

## **INTEREST OF DIRECTORS AND CONTROLLING SHAREHOLDERS**

None of the Directors or the controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Convertible Facility Agreement other than through their respective directorships and/or shareholdings in the Company.

## **CAUTIONARY STATEMENT**

**Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully. Shareholders 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  
23 July 2020

---

*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 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:*

Name : Mr. Mah How Soon, Registered Professional  
Address : 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619  
Tel : (65) 6381 6966

## **Schedule 1: Events of Termination**

Circumstances in which the Convertible Facility Agreement can be terminated by the Lender:

1. the Company failing to pay any outstanding amount when due;
2. a material breach by the Company of any of the terms of the Convertible Facility Agreement;
3. a statement made by the Company is incorrect in any material respect
4. in relation to efforts for resumption of trading:
  - a. a non-favourable outcome for a pre-clearance for the transactions contemplated;
  - b. a failure to obtain resumption of trading for the Company;
  - c. a failure to obtain time extension from the SGX-ST to submit a resumption proposal;
  - d. the delisting of the Company;
5. in relation to the applications filed by the Company with the High Court of the Republic of Singapore in HC/OS 964/2018 and HC/OS 963/2018 ("**Scheme Proceedings**"):
  - a. the failure to extend the moratoria granted by the Singapore High Court;
  - b. discontinuance of Scheme Proceedings;
  - c. Court refusal to grant leave for creditor and/or shareholder meetings to be convened;
  - d. Court refusal to sanction the scheme contemplated in the Scheme Proceedings;
  - e. the aforesaid scheme not approved by relevant authorities and the SGX-ST; and/or
  - f. the aforesaid scheme not implemented for any reason;
6. resignation of Mr. Boh Tuang Poh as Chief Executive Officer or as a Director;
7. illegality, non-effectiveness or repudiation of the Convertible Facility Agreement; and
8. insolvency proceedings on the Company (including judicial management).

Circumstances in which the Convertible Facility Agreement can be terminated by the Company comprise the circumstances numbered 4, 5, 7 and 8 above.