

Asiatravel.com



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

First Quarter Financial Statement And Related Announcement For The Period Ended 31 March 2018

PART I - INFORMATION REQUIRED FOR FIRST QUARTER RESULTS FOR THE PERIOD ENDED 31 March 2018

- 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	
	January 2018 to March 2018	January 2017 to March 2017	Increase / (Decrease)
Revenue			
Sales of services	19,994	70,039	(71.5)
Other items of income			
Other income	11	281	N/M
	<u>20,005</u>	<u>70,320</u>	(71.6)
Items of expenses			
Changes in inventories	18,049	66,421	(72.8)
Amortisation of intangible assets	518	480	7.9
Salaries and employee benefits	2,351	3,327	(29.3)
Depreciation of property, plant and equipment	175	321	(45.5)
Other operating expenses	2,036	3,321	(38.7)
Finance costs	15	38	(60.5)
	<u>23,144</u>	<u>73,908</u>	(68.7)
Loss before tax	(3,139)	(3,588)	(12.5)
Income tax	(7)	(12)	(41.7)
Loss net of tax	<u>(3,146)</u>	<u>(3,600)</u>	(12.6)
Attributable to:			
Owners of the Company	(3,146)	(3,343)	(5.9)
Non-controlling interests	-	(257)	N/M
	<u>(3,146)</u>	<u>(3,600)</u>	(12.6)

N/M = Not Meaningful

STATEMENT OF COMPREHENSIVE INCOME FOR SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 MARCH 2017

	GROUP		% Increase / (Decrease)
	January 2018 to March 2018	January 2017 to March 2017	
Loss net of tax	(3,146)	(3,600)	(12.6)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Translation of financial statements of foreign subsidiaries	(85)	(95)	(10.5)
Total comprehensive income for the year	(3,231)	(3,695)	(12.6)
Total comprehensive income attributable to:			
Owners of the Company	(3,231)	(3,438)	(6.0)
Non-controlling interests	-	(257)	NA
Total comprehensive income for the year	(3,231)	(3,695)	(12.6)

Notes :

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

	GROUP		% Increase / (Decrease)
	January 2018 to March 2018	January 2017 to March 2017	
(a) Amortisation of intangible assets	518	480	7.9
(b) Depreciation of property, plant and equipment	175	321	(45.5)
(c) Foreign exchange loss / (gain), net	608	(94)	N/M
(d) Interest income	(1)	-	N/M
(e) Finance costs	15	38	(60.5)
(f) Provision for inventory written off	31	-	N/M
(g) Profit on disposal of property, plant and equipment	(268)	-	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	
	31/03/2018	31/12/2017	31/03/2018	31/12/2017
Intangible assets	11,348	11,962	4,188	4,126
Property, plant and equipment	942	1,399	395	62
Investment in subsidiaries	-	-	9,461	9,461
Deferred tax assets	5	6	-	-
	12,295	13,367	14,044	13,649
Current Assets				
Inventories	1,341	2,042	-	-
Trade receivables	3,292	8,606	1,183	2,597
Prepaid operating expenses	1,373	2,262	143	332
Other receivables	9,780	10,198	7,553	7,521
Amounts due from subsidiaries	-	-	21,738	20,519
Fixed deposits and cash pledged	1,959	1,959	1,786	1,791
Cash and cash equivalents	1,083	1,651	251	618
	18,828	26,718	32,654	33,378
Current Liabilities				
Trade payables	8,478	8,575	55	-
Deferred income	3,945	6,615	1,803	3,644
Other payables	8,171	10,162	4,279	3,812
Amounts due to subsidiaries	-	-	19,038	18,426
Obligations under finance leases	35	386	35	35
Income tax payable	28	23	-	-
	20,657	25,761	25,210	25,917
Net Current Assets	(1,829)	957	7,444	7,461
Non-Current Liabilities				
Obligations under finance leases	(79)	(161)	(79)	(88)
Deferred tax liabilities	(2)	(3)	-	-
Net Assets	10,385	14,160	21,409	21,022
Equity attributable to owners of the Company				
Share capital and treasury shares	68,593	68,593	68,593	68,593
Reserves	(58,208)	(53,361)	(47,184)	(47,571)
Shareholders' equity	10,385	15,232	21,409	21,022
Non-controlling interests	-	(1,072)	-	-
Total equity	10,385	14,160	21,409	21,022

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

Amount repayable in one year or less, or on demand

As at 31/03/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
35	NIL	386	NIL

Amount repayable after one year

As at 31/03/2018		As at 31/12/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
79	NIL	161	NIL

Details of any collateral

S\$0.1 million of obligation under hire purchase lease has been pledged against the Group's company car. Subsequent to the financial period, the Group has disposed its entire fleet of coaches.

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.

	01/01/2018 to 31/03/2018 S\$'000	01/01/2017 to 31/03/2017 S\$'000
Cash flows from operating activities :		
Loss before income tax and non-controlling interests	(3,139)	(3,588)
Audit adjustments for FY2017 passed after full year result announcement	@ (1,676)	-
Deconsolidation – Loss on control of 50% owned subsidiaries	1,581	-
Adjustments for :		
Depreciation of property, plant and equipment	175	321
Amortisation of intangible assets	518	480
Interest expense	15	38
Interest income	(1)	-
Exchange loss / (gain) – unrealised	632	(36)
Bad debts written off	25	-
Gain of disposal of property, plant and equipment, net	(268)	-
Provision of stock obsolescence	31	-
Operating cash flows before changes in working capital	(2,107)	(2,785)
Changes in working capital		
Decrease / (Increase) in inventories	217	(135)
Decrease / (increase) in receivables and prepaid operating expenses	1,333	(1,096)
Increase / (decrease) in payables	878	(896)
Cash generated from / (used in) operations	321	(4,912)
Interest paid	(15)	(38)
Interest received	1	-
Income tax paid	-	(11)
Translation adjustment	(747)	(93)
Net cash flows used in operating activities	(440)	(5,054)
Cash flows from investing activities :		
Purchase of property, plant and equipment	(105)	(35)
Additional to intangible assets	(321)	(710)
Proceed from sales of property, plant and equipment, net	662	-
Acquisition of subsidiaries	-	767
Net cash flows generated from investing activities	236	22
Cash flows from financing activities :		
Repayment of obligations under finance leases	(363)	(32)
Issuance of new shares	-	(24)
Payment for treasury shares	-	(5)
Net cash flows used in financing activities	(363)	(61)
Net decrease in cash and cash equivalents	(567)	(5,093)
Cash and cash equivalents at the beginning of year	1,651	12,404
Effects of exchange rate changes on cash and cash equivalents	(1)	36
Cash and cash equivalents at end of the period	1,083	7,347
Fixed deposit and cash pledged	1,959	2,094
Total cash balance	3,042	9,441

- Less than S\$1,000/-

@ - The Company will make necessary update on the audit adjustments put through in due course

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
2018									
Balance at 1 January 2018	72,792	(4,199)	(63,637)	(1,110)	11,372	14	(53,361)	(1,072)	14,160
Loss net of tax	-	-	(3,146)	(85)	-	-	(3,231)	-	(3,231)
Audit adjustments for FY2017 passed after full year result announcement [@]	-	-	(738)	(3)	-	-	(741)	(1,219)	(1,960)
Deconsolidation – Loss on control of 50% owned subsidiaries [@]	-	-	(921)	46	-	-	(875)	2,291	1,416
Other comprehensive income for the period									
Total comprehensive income for the period	-	-	(4,805)	(42)	-	-	(4,847)	1,072	(3,775)
<u>Others</u>									
Total Others	-	-	-	-	-	-	-	-	-
Balance at 31 March 2018	72,792	(4,199)	(68,442)	(1,152)	11,372	14	(58,208)	-	10,385

@ - The Company will make necessary update on the audit adjustments and deconsolidation in due course

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 January 2017	73,438	(4,199)	(38,417)	(913)	1,372	14	(37,944)	1,080	32,375
Loss net of tax	-	-	(3,343)	-	-	-	(3,343)	(257)	(3,600)
Other comprehensive income for the period									
Translation of financial statements of foreign subsidiaries	-	-	-	(95)	-	-	(95)	-	(95)
Total comprehensive income for the period	-	-	(3,343)	(95)	-	-	(3,438)	(257)	(3,695)
Others									
Payment for treasury shares	-	(5)	-	-	-	-	-	-	(5)
Proceed from issuance of new shares, net of expenses	(24)	-	-	-	-	-	-	-	(24)
Total Others	(24)	(5)	-	-	-	-	-	-	(29)
Balance at 31 March 2017	73,414	(4,204)	(41,760)	(1,008)	1,372	14	(41,382)	823	28,651

Company	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
2018							
Balance at 1 January 2018	72,792	(4,199)	(57,585)	14	10,000	(47,571)	21,022
Loss net of tax	-	-	(149)	-	-	(149)	(149)
Audit adjustments for FY2017 passed after full year result announcement [@]	-	-	536	-	-	536	536
Total comprehensive income for the period	-	-	387	-	-	387	387
Contribution by and distributions to owners							
Total contribution by and distributions to owners							
Balance at 31 March 2018	72,792	(4,199)	(57,198)	14	10,000	(47,184)	21,409

[@] - The Company will make necessary update on the audit adjustments in due course

<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 January 2017	73,438	(4,199)	(39,458)	14	(39,444)	29,795
Loss net of tax	-	-	(1,100)	-	(1,100)	(1,100)
Total comprehensive income for the period	-	-	(1,100)	-	(1,100)	(1,100)
<u>Contribution by and distributions to owners</u>						
Payment for treasury shares	-	(5)	-	-	-	(5)
Proceed from issuance of new shares, net of expenses	(24)	-	-	-	-	(24)
Total contribution by and distributions to owners	(24)	(5)	-	-	-	(29)
Balance at 31 March 2017	73,414	(4,204)	(40,558)	14	(40,544)	28,666

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, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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 January 2018 and as at 31 March 2018	Issued and fully paid ordinary shares at beginning and at end of financial period	432,675,286	69,609,233

Note : There were 17,089,100 Treasury Shares as at 31 March 2018 and as at 31 March 2017.

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 March 2018 and 31 March 2017. The said options had expired on 15 April 2018.

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
	31/03/2018	31/12/2017
Total number of issued shares excluding treasury shares	432,645,186	432,645,186

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 January 2018. 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	
	Jan 2018 to Mar 2018	Jan 2017 to Mar 2017
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	(0.73) cts	(0.77) cts
(ii) On a fully diluted basis	(0.73) cts	(0.77) 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 (2QFY2017: 432,646,857).

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 March 2018	As at 31 December 2017
Net Asset Value per Ordinary Share based on issued share capital	2.40 cts	3.52 cts

	COMPANY	
	As at 31 March 2018	As at 31 December 2017
Net Asset Value per Ordinary Share based on issued share capital	4.95 cts	4.95 cts

The Net Assets Value per Ordinary Share is computed on the number of 432,645,186 shares in issue as at 31 March 2018 and 432,645,186 shares as at 31 December 2017.

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 revenue decreased by 71.5% (S\$50.0 million) to S\$20.0 million for the current financial period under review when compared to S\$70 million in the corresponding financial period in FY2017.

Before the Group's operational and market expansion in China in FY2016, the quarterly average of the Group's revenue is around S\$25 million for the past few financial years. On 25 November 2016, the Group received a capital injection of S\$9.4 million from its controlling shareholder, ZhongHong Holdings Co., Ltd. Following which, the Group had acquired a group of companies in the China ("PRC Companies"). (Kindly refer to the Company's announcement made on 11 April 2017.)

With the funding for the Group's operational and market expansion in China and contribution from the PRC Companies, the Group's revenue increased by 173.3% for the financial quarter from 1 January 2017 to 31 March 2017 to S\$70.0 million as compared to the corresponding financial period from 1 January 2016 to 31 March 2016.

The Group was expecting another round of funding by its controlling shareholder to sustain its revenue growth and market expansion strategy but due to the remittance restrictions imposed by the China Authorities on outward remittances, the funding was delayed and is expected to be completed in Jun 2018. (Kindly refer to the Company's announcement made on 2 August 2017 and 3 January 2018.) The Group has since scaled down its China operations resulting in the significant decline in revenue for the current financial quarter.

Another factor that affected the decrease in Group's revenue was the restructuring exercise (as announced on 14 February 2018). The Group has since closed or suspended activities of unprofitable business units which includes transportation unit, ground handling unit, offline wholesaler units, China operations and sized down some online B2C destinations.

The Group's gross profit margin increased to 9.7% in current financial period in FY2018 from 5.2% in corresponding period in FY2017. This is the direct result of the restructuring exercise carried out by the Group to suspend unprofitable businesses in the Group and focus on its profitable businesses such as online B2B units and online B2C destinations.

The Group's loss before tax decreased by 12.5% (S\$0.45 million) amounting to S\$3.1 million in the current financial period as compared to S\$3.6 million in the corresponding period in FY2017. Included in the loss before tax of S\$3.1 million is S\$1.2 million of expenses which the Group was still incurring such as personnel and business costs from suspended business units as a result of the restructuring exercise. The restructuring exercise will be completed by the end of the 2nd quarter and going forward, the Group's bottom-line will better reflect its new streamlined businesses

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 conducted a comprehensive review of its operations and is undertaking a major restructuring exercise to stem losses, improve cash flow and its reserve and to streamline its operations to focus on profitable business lines. The restructuring exercise is expected to be completed by the 2nd quarter of FY2018.

The Group has completed a placement amount of S\$1 million from its Augmented Reality (“AR”) Digital Tour technology partner and will be using the funds to launch new AR digital tour products as announced previously. (Kindly refer to the Company’s announcement made on 8 March 2018.)

The Group is currently working on securing corporate loans while awaiting the completion of the Convertible Note Agreement from its controlling shareholder.

In addition to the above funding actions, the Group is in discussions with other parties on raising further capital.

This will strengthen the cashflow position of the Group, allowing the Group to work towards 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 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 6 April 2018 in relation 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\$970,000.

The Company has utilised S\$605,000 for its intended use of the net proceeds stated in the announcement on 6 April 2018. S\$500,000 was used to place deposits with suppliers for the AR digital tour and the balance of S\$105,000 was used for the Group's general working capital.

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 March 2018 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Chairman and Chief Executive Officer
(15/05/2018)

Tay Kah Chye
Lead Independent Director
(15/05/2018)

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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