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## **The Group to fast track Merger and Acquisition and fund raising activities**

- **The Group to focus on organic growth and turnaround strategies**
- **Fast track Merger and Acquisition (“M&A”) and fund raising activities**

**Singapore, 13 February 2015** – Asiatravel.com Holdings Ltd (“Asiatravel”, and together with its subsidiaries, “the Group”), a pan-Asia online travel and hotel reservation service provider, today reported net loss attributable to owners of the Company of S\$1.6 million for first quarter of financial year 2015 (“FY2015”) as compared to S\$1.3 million net loss attributable to owners of the Company in the corresponding period in FY 2014.

The online space that the Group operates in is highly competitive and changing rapidly. In order to compete with the global players within this online environment, the Group will focus on two major growth and turnaround strategies for the next 12 months.

The strategies are as follows:

- 1) Organic Growth and Turnaround Strategy; and
- 2) Fund raising, Merger & Acquisition (“M&A”) Activities

### **Organic Growth and Turnaround Strategies:**

- a) The Group has implemented measures to reduce its operating costs through transferring high cost processes in Singapore, Hong Kong and Dubai to our low-cost centres in Myanmar, Indonesia and The Philippines. The Group will continue to evaluate additional measures to reduce its operating costs.
- b) The Group is now converting the arrangement with some of the meta-search sites from a cost per click (acquiring traffic) model to commission/profit share arrangement which means there will be no cost if there is no booking. The Group is expecting that the A&P spending will be substantially reduced in FY2015. The launch of the profit sharing advertisement programs with major meta-search partners is taking longer than envisaged as there are complex IT integration and testing requirements before the profit sharing programs can go live in 2QFY2015.
- b) The Group has launched its first mobile travel agency on wheels (O2O - offline to online model) in Singapore to bring awareness of its all-inclusive flight and tour package product bookable on instant confirmation basis to the offline market. This will educate and hasten the shift of booking for package products offline to our online platform. This will be launched in all major markets in S.E Asia and China.

## **Fund raising and Merger & Acquisition (“M&A”) Activities:**

In the past few years, the Group has invested heavily on developing and expanding its hotel reservation platform to an fully integrated all travel products reservation platform. It has built up a very comprehensive global supplies network and ground service and operational centre to support this expansion. This put the group in a good position to aggressively engage investors and strategic players to seek investments so that the Group can bring its innovations and offerings to the market in substantive ways.

The Group is in discussion with various strategic parties to secure additional and substantial investments to support its online growth strategy. This may include possible spin-off of the Group’s online business which will attract higher valuation and interests.

*“Last year there were more than 100 million Chinese outbound travelers. Literally, this is one Chinese traveler for every 10 global travelers.”* (Quote from Chinadaily.com.cn). The Group has started its China full service online operations for many years directly and through its subsidiaries. To further deepen and fast track the Group’s China growth strategy, the Group is also in discussions with various parties to acquire strategic marketing and tourism assets in China.

The Group has signed a Placement Agreement with ZhongHong Holding Co., Ltd (“ZhongHong”) to raise S\$10 million by way of issuance of new shares. In December 2014, ZhongHong has established a subsidiary in the Shanghai Free Trade Zone to facilitate the investment in the Group. The S\$10 million placement fund has been in the said subsidiary’s bank staging account since early January 2015 awaiting China’s regulatory clearance for remittance. The Placement Agreement with ZhongHong is expected to complete in February 2015.

With the completion of the Placement Agreement, the Group’s cash position will stand at approximately S\$17 million.

While the Group organic growth strategies will eventually yield positive results, its focus on further fund raising and various strategic M&A activities is intended to fast track its turnaround and return to profitability and enhance shareholders value.

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## **About Asiatravel.com Holdings Ltd -**

Asiatravel.com Holdings Ltd and its subsidiaries (collectively “Asiatravel” or the “Group”) form the largest independent publicly listed pan-Asia online travel reservation service provider. The Group has a wholly owned network of operation and customer service offices in 12 countries - Singapore, China, France, Germany, Hong Kong, India, Indonesia, Malaysia, the Philippines, Thailand, United Arab Emirates (UAE) and Vietnam. It also has partner offices in Japan, Laos, Myanmar, South Korea, Sri Lanka and Russia.

Established in 1995 as an online hotel reservation company, Asiatravel.com was listed on the Singapore Stock Exchange since 2001. The Group’s website Asiatravel.com has a brand presence in over 17 countries and available in 11 languages - English, Traditional & Simplified Chinese, Thai, Bahasa Indonesia, Japanese, Korean, French, German, Spanish and Arabic.

Asiatravel.com offers a reliable One-Stop-Service for travellers to find the best value for their flights, hotel rooms, holiday packages, sightseeing tours as well as theme park tickets. The Group has a selection of over 200,000 hotels and resorts worldwide, promotional airfares for over 500 major airlines and over 600,000 tours and travel packages.

These travel products are available online 24/7 with Real-Time Prices, Instant Confirmation and Last-Minute Availability. Moreover, travellers also enjoy cash rewards the more they book with Asiatravel.com. Asiatravel is the specialist of Asian travel for leisure and corporate travellers and travel agencies.

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*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.*

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