

CIRCULAR DATED 9 JANUARY 2017

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.  
PLEASE READ IT CAREFULLY**

This Circular is issued by Asiatravel.com Holdings Ltd (the "Company"). If you are in doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. ("the **Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**Exchange**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Circular including the accuracy or completeness of any of the information disclosed or the correctness of any of the statements or opinions made or reports contained in this Circular. This Circular has not been examined or approved by the Exchange. and the Exchange assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Ms Amanda Chen, Registered Professional, at Six Battery Road, #10-01 Singapore 049909, Tel: (65) 6381 6757.



**CIRCULAR TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

The purpose of this Circular is to provide Shareholders with information pertaining to and to explain the rationale for the proposed renewal of the Share Purchase Mandate (as defined herein) to be tabled at the annual general meeting ("AGM") of the Company to be held on 25 January 2017 at 10.00 a.m. at 743 Lorong 5 Toa Payoh, Level 2, Singapore 319457.

The Notice of the AGM and the proxy form are enclosed with the annual report of the Company for its financial year ended 30 September 2016.

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## DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:-

- “Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended, modified or supplemented from time to time
- “AGM”** : The annual general meeting of the Company to be held on 25 January 2017 at 10.00 a.m. at 743 Lorong 5 Toa Payoh, Level 2, Singapore 319457
- “Associate”** : a) In relation to any Director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:-
- i. his immediate family;
  - ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - iii. any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or the Group
- “Auditors”** : The auditors of the Company for the time being
- “Board”** : The board of Directors of the Company
- “Business Day”** : A day (other than Saturday and Sunday) on which banks are open for business in Singapore
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : Section B: Rules of Catalist of the Listing Manual of the SGX-ST or the rules contained therein, which apply to entities listed on the Catalist, as may be amended, varied or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 9 January 2017
- “Constitution”** : The Constitution of the Company, as may be amended or modified from time to time
- “Controlling Shareholder”** : A person who:
- a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares; or
  - b) in fact exercises control over the Company
- “Director”** : A person holding office as a director for the time being of the Company and/or its Subsidiaries
- “EPS”** : Earnings per Share
- “FY”** : Financial year ended 30 September

|                                  |                                                                                                                                                                                                                                                                           |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>“Group”</b>                   | : The Company, its Subsidiaries and Associated Companies                                                                                                                                                                                                                  |
| <b>“immediate family”</b>        | : Immediate family in relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent                                                                                                                                               |
| <b>“Latest Practicable Date”</b> | : 15 December 2016, being the latest practicable date prior to the printing of this Circular                                                                                                                                                                              |
| <b>“Market day”</b>              | : A day on which the SGX-ST is open for trading in securities                                                                                                                                                                                                             |
| <b>“NTA”</b>                     | : Net tangible assets                                                                                                                                                                                                                                                     |
| <b>“Ordinary Resolution”</b>     | : The ordinary resolution as set out in the Notice of AGM                                                                                                                                                                                                                 |
| <b>“SGX-ST”</b>                  | : Singapore Exchange Securities Trading Limited                                                                                                                                                                                                                           |
| <b>“Shares”</b>                  | : Ordinary shares in the capital of the Company                                                                                                                                                                                                                           |
| <b>“Shareholders”</b>            | : Registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register |
| <b>“Share Purchase Mandate”</b>  | : The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate                                                                               |
| <b>“Take-over Code”</b>          | : Singapore Code on Takeovers and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended                                                                                                                         |
| <b>“treasury shares”</b>         | : Issued Shares of the Company which was (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Act applies and has since purchase been continuously held by the Company                                                       |
| <b>“\$” or “S\$” and “cents”</b> | : Singapore dollar and cents respectively                                                                                                                                                                                                                                 |
| <b>“%” or “per cent.”</b>        | : Per centum or percentage                                                                                                                                                                                                                                                |

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

The term **“Subsidiary”** shall have the meaning ascribed to it in Section 5 of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other genders. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall have the meaning assigned to it under the Act, the Catalist Rules or any modification thereof, as the case may be.

All timing referred to in this Circular is made by reference to Singapore time.

References to **“paragraph”** or **“Appendix”** are to the paragraph or appendices of this Circular, unless otherwise stated.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

## LETTER TO SHAREHOLDERS

# Asiatravel.com Holdings Ltd

(Company Registration No. 199907534E)  
(Incorporated in the Republic of Singapore)

### Board of Directors:

Boh Tuang Poh (Executive Chairman and Chief Executive Officer)  
Sheng Faqiang (Non-Executive Director)  
Heng Su-Ling Mae (Lead Independent Director)  
Tan Kheng Lee Arnold (Independent Director)

### Registered Office:

615 Lorong 4 Toa Payoh  
#01-01 Storhub  
Singapore 319516

9 January 2017

To: The Shareholders of Asiatravel.com Holdings Ltd

Dear Sir/Madam

## THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 1. INTRODUCTION

#### 1.1 AGM

The Directors are seeking Shareholders' approval at the AGM for the proposed renewal of the Share Purchase Mandate.

#### 1.2 Circular

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek their approval, for the proposed renewal of the Share Purchase Mandate.

### 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

#### 2.1 Background

The Act allows companies to purchase their own ordinary shares, stocks and preference shares in the manner stated in the Act if their Constitution allow them to do so. The existing Regulation 54(2) of the Constitution of the Company expressly permits the Company to purchase or otherwise acquire ordinary shares issued by it. In addition, any purchase of its Shares by the Company has to be made in accordance with, and in the manner prescribed by, the Catalist Rules and such other laws and regulations as may for the time being be applicable.

At the annual general meeting of the Company held on 29 January 2016 ("**2015 AGM**"), Shareholders had approved the renewal of a share purchase mandate to enable the Company to purchase or otherwise acquire its issued Shares, on the terms of that mandate (the "**2015 Mandate**"), which will be expiring on 25 January 2017, being the date of the forthcoming AGM.

Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM.

#### 2.2 Shares Purchased in the Previous Twelve Months

Pursuant to the 2015 Mandate, the Company had bought back by way of market acquisitions 6,323,000 Shares from 8 June 2016 to 20 October 2016. The total consideration paid for the purchases was S\$1,070,576. The highest and lowest price paid was S\$0.179 per Share and S\$0.120 per Share respectively.

## 2.3 Proposed Renewal of the Share Purchase Mandate

If the Share Purchase Mandate is approved at the AGM, the authority conferred by the Share Purchase Mandate will continue to be in force until the date the next annual general meeting of the Company is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the date the next annual general meeting is held or is required by law to be held, whichever is earlier).

## 2.4 Rationale for the Renewal of the Share Purchase Mandate

2.4.1 The Share Purchase Mandate will give the Directors of the Company the flexibility to purchase or acquire the Shares if and when circumstances permit. Share purchases or acquisitions provide the Company and its Directors with an easy mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the Company's share capital structure with a view to enhance the EPS and/or net asset value per Share. The Share Purchase Mandate will further give the Company the opportunity to purchase or acquire Shares when such Shares are undervalued.

2.4.2 The purchase or acquisition of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or net tangible asset per Share.

2.4.3 If and when circumstances permit, the Directors of the Company will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases (as defined in paragraph 2.5.3), after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

2.4.4 The Directors of the Company will only make purchases or acquisitions of shares pursuant to the Share Purchase Mandate when they consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the Catalyst.

## 2.5 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate, if renewed at the AGM, are substantially the same as previously approved by Shareholders at the 2015 AGM. The authority and limits on the Share Purchase Mandate are as follows:

### 2.5.1 *Maximum number of Shares*

Only issued and fully paid-up Shares may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired under the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the issued Shares of the Company as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit.

Purely for illustrative purposes, on the basis of 432,765,286 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, not more than 43,276,527 Shares, representing 10% of 432,765,286 Shares (being 449,734,286 Shares in issue less 16,969,000 treasury shares), may be purchased by the Company pursuant to the proposed renewal of the Share Purchase Mandate.

As the Company holds 16,969,000 Shares as treasury shares as at the Latest Practicable Date, the Company may only retain a further 26,307,527 Shares as treasury shares as it is only allowed to hold a maximum of 43,276,527 treasury shares (being 10% of the total number of issued Shares of 432,765,286 Shares).

### 2.5.2 *Duration of authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (iii) the date on which the share buyback is fulfilled to the fullest extent of the Share Purchase Mandate, whichever is the earlier (the "**Relevant Period**").

### 2.5.3 **Manner of Purchase or Acquisition of Shares**

Shares may be purchased or acquired under the Share Purchase Mandate either:

- (i) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealer appointed by the Company for the purpose; and/or
- (ii) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, in accordance with an equal access scheme as defined in Section 76C of the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An equal access scheme must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares under the scheme shall be made to every person who holds Shares to purchase or acquire the same percentage of their shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (c) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Under the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share purchases;
- (iv) the consequences, if any, of Share purchases by the Company that will arise under the Take-over Code or any other applicable take-over rules;
- (v) whether the Share purchases, if made, would have any effect on the listing of the Shares on Catalist;
- (vi) details of any Share purchases made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 2.5.4 **Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

in each case, excluding related expenses of the purchase of acquisition (the "**Maximum Price**").

For the above purposes:

**“Average Closing Price”** means the average of the closing market prices of a Share over the last five (5) market days, on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) day period; and

**“date of the making of the offer”** means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

## 2.6 Source of Funds

In buying back Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The Company may not buy Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. The buy-back of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Act, the Company is solvent if (a) it is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the 12 months following such date of payment; and (b) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of Shares for purposes of any proposed acquisition or release of the Company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

When Shares are purchased or acquired, and cancelled:

- (i) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the **“Purchase Price”**);
- (ii) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (iii) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

The Company intends to use its internal sources of funds and/or external borrowings to finance its purchase or acquisition of the Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

## 2.7 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire upon such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

## 2.8 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

### 2.8.1 *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.



### 2.8.2 **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed as long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

### 2.8.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

Rule 704(31) of the Catalist Rules requires that any sale, transfer, cancellation and/or use of treasury shares, must be announced stating the following:-

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

## 2.9 **Listing Status**

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its Shares are in the hands of the public. The "public", as defined under "Definitions and Interpretation" of the Catalist Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders, as well as the Associates of such persons.

As at the Latest Practicable Date there are 133,489,457 Shares in the hands of the public, representing 30.85% of the issued Shares of the Company excluding 16,969,000 ordinary shares held in treasury. For illustrative purposes, assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 90,212,930 Shares, representing 20.85% of the issued Shares of the Company.

In undertaking any purchases of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the share purchase(s) will not:-

- (i) adversely affect the listing status of the Shares on the SGX-ST;
- (ii) cause market illiquidity; or
- (iii) adversely affect the orderly trading of the Shares.

## 2.10 Financial Impact

The financial impact on the Group arising from the purchase or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or retained profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled.

### 2.10.1 **Purchase or Acquisition out of Profits and/or Capital**

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will not affect the amount available for distribution in the form of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of retained profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for distribution in the form of cash dividends by the Company.

### 2.10.2 **Purchase or Acquisition out of Internal Resources and/or External Borrowing**

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Group and of the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would also be a similar increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

The impact of purchases or acquisitions under the Share Purchase Mandate on net asset value, earnings per Share and gearing of the Company and the Group will depend, *inter alia*, on the number of shares purchased or acquired, the price at which they are purchased or acquired and the manner in which the purchase or acquisition is funded. It is therefore not possible to realistically calculate or quantify the impact at this point of time.

### 2.10.3 **Number of Shares Acquired or Purchased**

Based on the 432,765,286 issued and paid-up Shares (excluding 16,969,000 treasury shares) as at the Latest Practicable Date, and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will entail a purchase or acquisition of 43,276,527 Shares.

As the Company holds 16,969,000 Shares as treasury shares as at the Latest Practicable Date, the Company may only retain a further 26,307,527 Shares as treasury shares as it is only allowed to hold a maximum of 43,276,527 treasury shares (being 10% of the total number of issued Shares of 432,765,286 Shares).

### 2.10.4 **Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 26,307,527 Shares at the Maximum Price of S\$0.128 per Share (being the price equivalent to 105% of the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is S\$3,367,363.46, excluding brokerage, commission, applicable goods and services tax and other related expenses.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 26,307,527 Shares at the Maximum Price of S\$0.146 per Share (being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required is S\$3,840,898.94 excluding brokerage, commission, applicable goods and services tax and other related expenses.

## 2.10.5 *Illustrative Financial Effect*

Having regard to the amount of the Group's and Company's reserves of negative S\$36,890,000 and negative S\$38,603,000 respectively as at 30 September 2016, the Company has insufficient distributable reserves to purchase Shares where the consideration is made out of retained profits. In the event that the Company's reserves improve beyond its negative status, such difference may be utilized for share purchase where deemed appropriate. However, the Company can purchase Shares where the consideration is made out of capital.

**For illustration purposes**, Table A below lists four possible scenarios of purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, based on the following assumptions:

- (i) the purchase or acquisition of Shares is financed by internal sources of funds
- (ii) the Maximum Price paid for Shares acquired or purchased is as stated in paragraph 2.10.4 above;
- (iii) the Company has 432,765,286 issued and paid-up Shares (excluding 16,969,000 Shares held in treasury) as at the Latest Practicable Date, and no further Shares are issued on or prior to the AGM; and
- (iv) the Company has as at 30 September 2016:
  - (a) issued share capital of approximately S\$59,928,000; and
  - (b) cash and cash equivalents of approximately S\$3,932,000.

**Table A**

### **Scenario of purchase or acquisition of Shares**

The following four possible scenarios in Table A are purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, with pro-forma financial effects shown in detail in Table B below:

| <b>Share Purchase</b> |               |             |                                                     |                                      |                                         |
|-----------------------|---------------|-------------|-----------------------------------------------------|--------------------------------------|-----------------------------------------|
| <b>Scenario</b>       | <b>Out Of</b> | <b>Type</b> | <b>Whether held as Treasury Shares or Cancelled</b> | <b>Maximum Price per Share (S\$)</b> | <b>Number of Shares to be Purchased</b> |
| 1(A)                  | Capital       | Market      | Held as Treasury Shares                             | S\$0.128                             | 26,307,527                              |
| 1(B)                  | Capital       | Market      | Cancelled                                           | S\$0.128                             | 26,307,527                              |
| 1(C)                  | Capital       | Off-Market  | Held as Treasury Shares                             | S\$0.146                             | 26,307,527                              |
| 1(D)                  | Capital       | Off-Market  | Cancelled                                           | S\$0.146                             | 26,307,527                              |

**Table B:****Pro-forma financial effects on the Group for scenarios of Share purchases or acquisitions by the Company out of capital**

|                                        | Per Consolidated Financial Statements as at 30 September 2016 | Pro-forma Financial Effects as at 30 September 2015 for Scenarios in Table A |             |             |             |
|----------------------------------------|---------------------------------------------------------------|------------------------------------------------------------------------------|-------------|-------------|-------------|
|                                        |                                                               | 1 (A)                                                                        | 1 (B)       | 1 (C)       | 1 (D)*      |
| Share Capital (\$'000)                 | 64,061                                                        | 64,061                                                                       | 60,694      | 64,061      | 60,220      |
| Reserves (\$'000)                      | (36,890)                                                      | (36,890)                                                                     | (36,890)    | (36,890)    | (36,890)    |
| Minority Interest (\$'000)             | 1,316                                                         | 1,316                                                                        | 1,316       | 1,316       | 1,316       |
| Treasury shares (\$'000)               | (4,133)                                                       | (7,500)                                                                      | (4,133)     | (7,974)     | (4,133)     |
| Total Equity (\$'000)                  | 24,354                                                        | 20,987                                                                       | 20,987      | 20,513      | 20,513      |
| Net Tangible Assets ("NTA") – (\$'000) | 16,608                                                        | 13,241                                                                       | 13,241      | 12,767      | 12,767      |
| Current Assets (\$'000)                | 30,773                                                        | 27,406                                                                       | 27,406      | 26,932      | 26,932      |
| Current Liabilities (\$'000)           | 18,461                                                        | 18,461                                                                       | 18,461      | 18,461      | 18,461      |
| Number of Shares                       | 386,176,886                                                   | 359,869,359                                                                  | 359,869,359 | 359,869,359 | 359,869,359 |
| <b>Financial Ratios</b>                |                                                               |                                                                              |             |             |             |
| NTA per Share (cents)                  | 4.30                                                          | 3.68                                                                         | 3.68        | 3.55        | 3.55        |
| Current Ratio (times)                  | 1.67                                                          | 1.48                                                                         | 1.48        | 1.46        | 1.46        |

The above pro-forma financial effects are for illustration purposes only. Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the issued Shares, the Company may not necessarily purchase or be able to purchase the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

The amount of distributable reserves available in FY2016 would depend on the Company's performance in FY2016. The Directors will not however exercise the authority conferred by the Share Purchase Mandate to such an extent that would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

**2.11 Reporting requirements**

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting & Corporate Regulatory Authority ("ACRA").

Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, the date of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

**2.12 Catalist Rules requirements**

The Catalist Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement currently requires the inclusion of details such as date of purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, and total consideration paid.

While the Catalyst Rules does not expressly prohibit purchase of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one month immediately preceding the announcement of the Company’s annual results; and
- (b) two weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of its financial year.

## **2.13 Take-over Implications**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### **2.13.1 Obligation to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

### **2.13.2 Persons Acting in Concert**

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (i) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above companies for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10 per cent. or more of the client’s equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Companies are set out in Appendix 2 of the Take-over Code.

### 2.13.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent. or more, or in the event that such Directors and their concert parties hold between 30 per cent. and 50 per cent. of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one (1) per cent. in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30 per cent. or more, or, if such Shareholder holds between 30 per cent. and 50 per cent. of the Company's voting rights, the voting rights of such Shareholder would increase by more than one (1) per cent. in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

The interests of the Directors and Substantial Shareholders are set out in section 3 below. In the event the Company undertakes Share purchases within the Relevant Period, or within any one financial year of the Company, whichever is earlier, of the maximum amount of 10% of the issued Shares of the Company as permitted by the Share Purchase Mandate, the shareholdings and voting rights of:

- (a) the Directors and their concert parties (as defined in the Take-over Code) will not increase to 30 per cent. or more; and
- (b) the substantial shareholders and their concert parties (as defined in the Take-over Code) will not increase to 30 per cent. or more,

and accordingly, no general offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to repurchase Shares pursuant to the Share Purchase Mandate.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of share buy backs by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

### **2.14 Taxation**

Section 10J of the Income Tax Act, Chapter 134 of Singapore, stipulates that when a company purchases or acquires its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder. Accordingly, the Company will, in repurchasing its own Shares out of profits, be deemed to have paid a dividend to the Shareholders from whom the Shares are purchased.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy Back Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

## **3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS**

The interests of Directors and substantial shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively, were as follows:

### 3.1 Directors' interest

The interests of the Directors in the Shares as at the Latest Practicable Date are as follows:

|                              | Direct        |                          | Deemed        |                          |
|------------------------------|---------------|--------------------------|---------------|--------------------------|
|                              | No. of Shares | % of total Issued Shares | No. of Shares | % of total Issued Shares |
| <b>Directors</b>             |               |                          |               |                          |
| Boh Tuang Poh <sup>(1)</sup> | –             | –                        | 19,595,426    | 4.53                     |
| Tan Kheng Lee Arnold         | 840,000       | 0.19                     | –             | –                        |
| Sheng Faqiang <sup>(2)</sup> | –             | –                        | 60,000,000    | 13.86                    |
| Mae Heng Su-Ling             | –             | –                        | –             | –                        |

**Notes:-**

<sup>(1)</sup> Boh Tuang Poh's deemed interest arises from 19,595,426 Shares registered in the names of his nominees.

<sup>(2)</sup> Sheng Faqiang is deemed to have an interest in 60,000,000 Shares held by Tread Holdings Group Co., Ltd through his controlling interest in Tread Holdings Group Co., Ltd.

### 3.2 Substantial Shareholders' Interest

The interests of the substantial shareholders of the Company in the Shares as at the Latest Practicable Date are set out below:

|                                                        | Direct        |                          | Deemed        |                          |
|--------------------------------------------------------|---------------|--------------------------|---------------|--------------------------|
|                                                        | No. of Shares | % of total Issued Shares | No. of Shares | % of total Issued Shares |
| <b>Substantial Shareholders</b>                        |               |                          |               |                          |
| Tread Holdings Group Co., Ltd ("Tread") <sup>(1)</sup> | –             | –                        | 60,000,000    | 13.86                    |
| Boh Tuang Poh <sup>(2)</sup>                           | –             | –                        | 19,595,426    | 4.53                     |
| Goh Khoon Lim <sup>(3)</sup>                           | –             | –                        | 40,494,437    | 9.43                     |
| 28 Holdings Pte Ltd ("28 Holdings")                    | 10,166,500    | 2.35                     | 16,820,812    | 3.89                     |
| Gan Suat Lui <sup>(4)</sup>                            | –             | –                        | 26,987,312    | 6.24                     |
| Vision Capital Pte Ltd ("Vision Capital")              | 24,768,000    | 5.72                     | –             | –                        |
| See Lop Fu, James <sup>(5)</sup>                       | –             | –                        | 24,768,000    | 5.72                     |
| Ong Nai Pew <sup>(6)</sup>                             | –             | –                        | 26,810,366    | 6.20                     |
| Sheng Faqiang <sup>(7)</sup>                           | –             | –                        | 60,000,000    | 13.86                    |
| Zhong Hong New World International Limited             | 88,500,000    | 20.45                    | –             | –                        |
| ZhongHong New World Investment Pte Ltd <sup>(8)</sup>  | –             | –                        | 88,500,000    | 20.45                    |
| Zhonghong Xinqi Shijie Investment Ltd <sup>(9)</sup>   | –             | –                        | 88,500,000    | 20.45                    |
| Zhonghong Holding Co., Ltd. <sup>(10)</sup>            | –             | –                        | 128,500,000   | 29.69                    |
| Zhonghong Zhuoye Group Ltd <sup>(11)</sup>             | –             | –                        | 128,500,000   | 29.69                    |
| Wang Yonghong <sup>(12)</sup>                          | –             | –                        | 128,500,000   | 29.69                    |

**Notes:-**

<sup>(1)</sup> Tread's deemed interest arises from 60,000,000 shares registered in the name of its nominee.

<sup>(2)</sup> Boh Tuang Poh's deemed interest arises from 19,595,426 shares registered in the names of his nominees.

<sup>(3)</sup> Goh Khoon Lim is deemed to have interest in the 26,987,312 shares held by 28 Holdings through his not less than 20% shareholdings in 28 Holdings. Goh Khoon Lim is the beneficiary holder of 12,273,000 shares held by DBS Nominees Pte Ltd and 1,534,125 shares held by AmFraser Nominees.

<sup>(4)</sup> Gan Suat Lui is deemed to have interest in the 26,987,312 shares held by 28 Holdings through her not less than 20% shareholdings in 28 Holdings.

<sup>(5)</sup> See Lop Fu, James' deemed interest arises from 24,768,000 shares held by Vision Capital.

<sup>(6)</sup> Ong Nai Pew's deemed interest arises from 26,810,366 shares held through his nominees.

<sup>(7)</sup> Sheng Faqiang is deemed to have an interest in 60,000,000 Shares held by Tread through his controlling interest in Tread.

<sup>(8)</sup> Zhong Hong New World International Limited is the direct wholly owned subsidiary of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. is deemed interested in the shares held by Zhong Hong New World International Limited.

<sup>(9)</sup> Zhong Hong New World International Limited is the indirect wholly owned subsidiary of Zhonghong Xinqi Shijie Investment Ltd. Zhong Hong New World International Limited is deemed interested in the shares held by Zhong Hong New World International Limited.

<sup>(10)</sup> Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Zhonghong Holding Co., Ltd. is deemed interested in the shares held by Zhong Hong New World International Limited.

<sup>(11)</sup> Zhonghong Zhuoye Group Ltd holds 26.55% of the issued share capital of Zhonghong Holding Co., Ltd. Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Zhonghong Zhuoye Group Ltd is deemed interested in the shares held by Zhong Hong New World International Limited.

<sup>(12)</sup> Wang Yonghong holds 100% of the issued share capital of Zhonghong Zhuoye Group Ltd. Zhonghong Zhuoye Group Ltd holds 26.55% of the issued share capital of Zhonghong Holding Co., Ltd. Zhonghong Holding Co., Ltd. holds 100% of the issued share capital of Zhonghong Xinqi Shijie Investment Ltd. Zhonghong Xinqi Shijie Investment Ltd holds 100% of the issued share capital of Zhonghong New World Investment Pte. Ltd. Zhonghong New World Investment Pte. Ltd. holds 100% of the issued share capital of Zhong Hong New World International Limited. Zhonghong Zhuoye Group Ltd is deemed interested in the shares held by Zhong Hong New World International Limited.

#### **4. DIRECTORS' RECOMMENDATIONS**

The Directors unanimously consider that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 9 as set out in the Notice of AGM.

#### **5. ANNUAL GENERAL MEETING**

The AGM, notice of which is circulated together with the Annual Report of the Company for the financial year ended 30 September 2016 and this Circular, will be held on 25 January 2017, at 743 Lorong 5 Toa Payoh, Level 2, Singapore 319457 at 10.00 a.m. for the purpose, inter alia, of considering and, if thought fit, passing with or without any modifications, the Ordinary Resolution 9 as set out in the Notice of AGM.

#### **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

##### **6.1 *Appointment of Proxies***

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form in accordance with the instruction printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 615 Lorong 4 Toa Payoh, #01-01 Storhub, Singapore 319516 not later than 48 hours before the time fixed for the AGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

##### **6.2 *When Depositor regarded as Shareholder***

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM.

#### **7. INSPECTION OF DOCUMENTS**

The following documents are available for inspection at the registered office of the Company at 615 Lorong 4 Toa Payoh, #01-01 Storhub, Singapore 319516, during normal business hours from the date of this Circular up to the date of the AGM:

the Constitution of the Company; and

the Annual Report of the Company for the financial year ended 30 September 2016.

#### **8. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

Yours faithfully  
for and on behalf of the  
Board of Directors of  
**Asiatravel.com Holdings Ltd**

**Mr. Boh Tuang Poh**  
*Executive Chairman and Chief Executive Officer*