

Asiatravel.com



ASIATRavel.COM HOLDINGS LTD
(Company Registration No.: 199907534E)
(Incorporated in the Republic of Singapore)

MINUTES OF ANNUAL GENERAL MEETING OF THE COMPANY HELD VIA ELECTRONIC MEANS

PLACE	: Live webcast via https://globalmeeting.bigbangdesign.co/asiatravel/
DATE	: Monday, 27 September 2021
TIME	: 3.30 p.m.
PRESENT	: Please see attendance list.
IN ATTENDANCE	: Please see attendance list.
CHAIRMAN	: Mr. Boh Tuang Poh

Unless otherwise defined herein or the context otherwise requires, all capitalised terms used herein shall bear the same meanings ascribed to them in the Company's announcements dated 10 September 2021, 24 September 2021, 27 September 2021 and the Company's Annual Report for the financial year ended 31 December 2018.

INTRODUCTION

The Chairman of the Board introduced the Directors present at the AGM.

QUORUM

The chairman ("**Chairman**") of the annual general meeting of the Company ("**AGM**") sought the confirmation of the Company Secretary that a quorum was present and the Company Secretary confirmed that the quorum necessary for a general meeting as set out in the constitution of the Company ("**Constitution**") was present. Therefore, the Chairman declared the AGM open at 3.30 p.m.

NOTICE

With the consent of the Chairman, the Notice of AGM was taken as read. Proxy forms lodged have been checked and found to be in order.

VOTING BY POLL

The Chairman briefed the shareholders of the Company ("**Shareholders**") that in view of the Alternative Arrangements Order, Shareholders will not be able to vote online at the live webcast AGM. Instead, Shareholders who wish to exercise their votes must submit a proxy form to appoint the Chairman of the AGM to vote on their behalf. Proxy forms lodged have been checked and found to be in order.

The Chairman informed that all resolutions to be tabled at the AGM would be voted upon by way of poll as required under the Listing Manual – Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). All the motions have been duly voted by the Shareholders through the submissions of the proxy forms to the Share Registrar and the Scrutineer has verified the counting of all votes casted through the proxy forms.

The Chairman informed that In.Corp Corporate Services Pte. Ltd. was appointed as the polling agent and Janusys Consultants Pte Ltd (“**Scrutineer**”) was appointed as the scrutineer for the poll of the AGM.

QUESTIONS FROM SHAREHOLDERS FOR THE AGM

The Chairman informed that based on information provided in the Notice of AGM dated 10 September 2021, Shareholders will not be able to ask questions at the live webcast AGM. As at the Registration Deadline at 3.30 p.m. on 23 September 2021 for the submission of questions by Shareholders relating to resolutions to be tabled for approval at the AGM or to the Company’s businesses and operations, there is no question received by the Company prior to the AGM. However, the Company has released its response to the questions from The Securities Investors Association Singapore via SGXNet on 24 September 2021.

ORDINARY BUSINESSSES:

1. AUDITED FINANCIAL STATEMENTS, DIRECTORS’ STATEMENT OF THE COMPANY AND AUDITORS’ REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 – RESOLUTION 1

The AGM proceeded to receive and adopt the Audited Financial Statements, Directors’ Statement of the Company and Auditors’ Report for the financial year ended 31 December 2018.

The voting results of the poll for Resolution 1 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,445,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	0	0%

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED:**

“That the Directors’ Statement and Audited Financial Statements of the Company and the Group for the financial year ended 31 December 2018 together with the Auditors’ Report be and are hereby received and adopted.”

2. DIRECTORS' FEES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2017 – RESOLUTION 2

The Board had recommended the payment of Directors' fees of S\$25,413.87 for the financial period ended 31 December 2017.

The voting results of the poll for Resolution 2 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,338,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	107,000	N/A

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED**:

"That the payment of the Directors' fees of S\$25,413.87 for the financial period ended 31 December 2017 be approved."

3. DIRECTORS' FEES FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2018 – RESOLUTION 3

The Board had recommended the payment of Directors' fees of S\$84,105.16 for the financial period ended 31 December 2018.

The voting results of the poll for Resolution 3 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,338,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	107,000	N/A

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED**:

"That the payment of the Directors' fees of S\$84,105.16 for the financial period ended 31 December 2018 be approved."

4. RETIREMENT OF MR. LIU ZUMING AS A DIRECTOR

NOTED the retirement of Mr. Liu Zuming pursuant to Constitution 104 of the Company's Constitution.

The Board would like to extend its appreciation to Mr. Liu Zuming for his invaluable contributions to the Board and the Company.

5. RE-ELECTION OF MR. BOH TUANG POH AS A DIRECTOR – RESOLUTION 4

Mr. Boh Tuang Poh who was retiring as a Director of the Company in accordance with Rule 720(4) of the Catalist Rules, had signified his consent to continue in office.

The voting results of the poll for Resolution 4 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,445,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	0	0%

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED**:

“That Mr. Boh Tuang Poh, who retired from office in accordance with Rule 720(4) of the Catalist Rules and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.”

6. RE-ELECTION OF MR. LEE KIEN FATT AS A DIRECTOR – RESOLUTION 5

Mr. Lee Kien Fatt who was retiring as a Director of the Company in accordance with Regulation 108 of the Constitution of the Company, had signified his consent to continue in office.

The voting results of the poll for Resolution 5 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,445,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	0	0%

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED**:

“That Mr. Lee Kien Fatt, who retired from office in accordance with Regulation 91 of the Constitution of the Company and being eligible, offered himself for re-election, be and is hereby re-elected as a Director of the Company.”

Mr. Lee Kien Fatt will, upon re-election as a Director of the Company, remain as the Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.”

7. RE-APPOINTMENT OF MESSRS ERNST & YOUNG LLP AS THE AUDITORS OF THE COMPANY AND TO AUTHORISE THE DIRECTORS TO FIX THEIR REMUNERATION – RESOLUTION 6

Subject to Shareholders' approval at the AGM, the Board had proposed to re-appoint Messrs Ernst & Young LLP as the Auditors of the Company for the ensuing year and sought Shareholders' authority for the Directors to fix their remuneration.

The voting results of the poll for Resolution 6 were as follows:

	Total Votes	Percentage of Total Votes
For the Resolution	22,445,912	100%
Against the Resolution	0	0%
Abstained from the Resolution	0	0%

Based on the above result, the Chairman declared the motion carried and it was **RESOLVED**:

"That Ernst & Young LLP, who have expressed their willingness to continue in office, be and are hereby re-appointed as Auditors until the conclusion of the next AGM at a fee to be agreed between the Directors and Ernst & Young LLP."

ANY OTHER BUSINESS

As no notice of any other ordinary business to be transacted at the AGM had been received by the Company Secretary, the AGM proceeded to deal with the special business outlined in the Notice of AGM.

CONCLUSION

There being no other business to transact, the Chairman declared the AGM of the Company closed at 3.36 p.m. and thanked everyone for their attendance.

CONFIRMED AS A TRUE RECORD OF PROCEEDINGS HELD

**BOH TUANG POH
CHAIRMAN OF THE MEETING**

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RESPONSE TO QUERIES FROM THE SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

The Board of Directors (“**Board**”) of Asiatravel.com Holdings Ltd (“**Company**”), together with its subsidiaries, “**Group**”) would like to provide its responses to the queries received from the Securities Investors Association (Singapore) (“**SIAS**”) in relation to the Company’s Annual Report for the financial year ended 31 December 2018 (“**FY2018**”) prior to the upcoming annual general meeting for FY2018 to be held by way of electronic means on 27 September 2021 at 3:30 pm. For avoidance of doubt, the Company does not respond to the commentaries made by SIAS as they merely set out the context of the questions raised.

Queries from SIAS

Q1. As noted in the corporate profile, trading in the company’s shares has been suspended since 6 July 2018 following concerns on the group’s ability to continue as a going concern. All business operations were ceased by around June 2018, inter alia, due to the lack of funding arising from the failure of the controlling shareholder to complete its funding as required under the convertible note agreement and the suspension of the company’s travel agent licence by the Singapore Tourism Board.

The company has submitted a resumption proposal through its sponsor to the Singapore Exchange Regulation on 31 July 2021. This follows the company’s scheme of arrangement which was approved at the meeting of the Scheme Creditors on 21 December 2020 and sanctioned by the High Court of Singapore on 1 February 2021.

It is noted that the scheme is conditional, inter alia, upon a successful resumption of trading and the release and discharge of liabilities of the Scheme Creditors through the allotment and issue of new Asiatravel shares to the Scheme Creditors.

- (i) What are the other milestones required before trading of the company’ shares can resume?**
- (ii) When does the company expect the Singapore Exchange Regulation to approve the resumption proposal?**
- (iii) When does the company expect the Singapore Exchange Regulation to approve the resumption proposal?**
- (iv) What progress has been made by the company in the preparation of the FY2019 and FY2020 financial statements? When can the company’s audited financial statements and annual reports for FY2019 and FY2020 be published?**
- (v) What is the current financial position of the company? How much cash remains in the company to fund its operations?**

Company’s response:

As announced by the Company on 30 July 2021, it had submitted its resumption proposal to the SGX-ST via the Sponsor for the resumption of trading of its shares on the Catalist Board on 30 July 2021. Pursuant, *inter alia*, to the submission of the Resumption Proposal to the SGX-ST, the Company has also submitted an application to the SGX-ST for a further extension of time until 6 December 2021 to comply with its regulatory reporting timelines with Catalist Rules 705(2),707(1) and 1304(1).

The approval of the resumption proposal is at the discretion of the Singapore Exchange Regulation and as of date of this announcement, the Company understands that the Resumption Proposal is still under review by the Singapore Exchange. Notwithstanding, the Company is working with the auditor on the audit for both FY2019 and FY2020 with the aim to complete the audit and hold AGMs for both FY2019 and FY2020 by the timeline set out in it's the Resumption Proposal. The Company operations are funded by the Convertible Facility Agreement as announced on 23 July 2020.

Q2. The company has stated that following “due and careful deliberations, the board of directors are of the reasonable opinion that it remains viable for Asiatravel to remain and continue with the online travel agency (“OTA”) business after the completion of the restructuring exercise and [the] successful resumption of trading”.

(i) Can the board help shareholders understand the due diligence it has carried out as part of its “due and careful deliberations”? Can management help shareholders understand the structural changes in the OTA space in the past 3 years? What is the impact on the OTA business due to the COVID-19 pandemic? How will the group be addressing these challenges?

**(ii) What are the returns (ROE/ROI etc) in the company’s projections and approved by the board in its deliberations/approval process? Would management provide shareholders with a holistic overview of its strategy and growth plans during the AGM? For reference, a summary of the financial highlights from FY2017 is included below:
(Source: company annual report)**

(In S\$ million except per share data)					
FISCAL YEAR	FY2013 (END SEP)	FY2014 (END SEP)	FY2015 (END SEP)	FY2016 (END SEP)	FY2017 (END DEC)
INCOME STATEMENT					
Revenue	87.1	91.4	90.0	102.9	170.1
Profit Attributable to Equity Holders	-5.7	-9.6	-10.8	-7.9	-29.5
Basic EPS (cents)	-2.4	-3.4	-3.3	-2.3	-6.9
Diluted EPS (cents)	-2.4	-3.4	-3.3	-2.3	-6.9

(iii) What competitive advantage does the group have? How will the group compete against the industry giants, such as Booking.com, Tripadvisor, Expedia, Trivago, and Trip.com and Meituan in China?

(iv) What headway have www.tripwerkz.com and www.qichengbao.com made in recent months?

(v) Given the group’s track record from FY2013 to FY2017 (shown above), does the board expect the new OTA business to be profitable? What is the working capital required to fund the new business?

Company’s response:

With reference to the Director’s Statement (page 3 of the FY2018 Annual Report), the Group, through the investor, who is familiar with, and has access to owners or distributors of travel products, including travel agents and organizers of events and shows in various countries, including the People’s Republic of China (“PRC”), plans to expand its inventory and/or reach out to a wider market in carrying out its online travel business with a focus on electronic dance music events in the PRC (“Proposed New Business”).

The Company is concurrently looking to utilise more technological tools or solutions to develop business processes and infrastructure that will bring down the operating cost of the OTA Business. As an example both www.tripwerkz.com and www.qichengbao.com now has chatbots driven by artificial intelligence technology available to all our customers, created with customer FAQs from past databases. The Company expects, under the new OTA business, on the expansion into the Proposed New Business Line, and together with the continue utilisation of more technological tools or solutions, will be a profitable business.

Q3. The independent auditors have included a disclaimer of opinion in the independent auditor's report on the audit of the financial statements. The basis for disclaimer of opinion are:

- Insufficient accounting data and financial records
- Going concern

In Note 2.1 (pages 56 & 57 – Summary of significant accounting policies: Basis of preparation), it was stated that the company and its subsidiaries ceased operations “abruptly” in July 2018 and almost all of the employees were retrenched or left the companies. Some office premises of the overseas subsidiaries were also repossessed by their respective landlords due to unpaid rental. As a result of this, the company is unable to retrieve or regain access to certain accounting data and financial records of the company and its subsidiaries.

The company has relied on the accounting data and financial records prepared or provided before the cessation of operations, together with accounting data and financial records retrieved from the company's in-house IT and accounting systems for the preparation of the consolidated financial statements of the group for FY2018.

However, it was noted that the accounting data and financial records provided by the subsidiaries and the accounting data (including information on transactions carried out) stored in the company's in-house IT system was either incomplete, could not be retrieved or was corrupted as a result of the cessation of operations of the IT system. Hence, the directors are not in possession of a complete set of accounting data and financial records of the company and its subsidiaries.

The executive chairman and CEO has also indicated, on page 28, that management does not believe that, as at 31 December 2018, the financial records had been properly maintained and the financial statements give a true and fair view of the company's operations and finances and the company's risk management and internal controls systems were effective.

(i) Given that the executive chairman and CEO is the only executive director remaining on the board from FY2018, can Mr Boh Tuang Poh elaborate further on the efforts by the company in 2018 to preserve its accounting data and financial records prior to the cessation of operations?

The CEO in the 2017 annual report had given assurance that the group's internal controls (including the financial, operational, compliance and information technology controls and risk management systems) are adequate and effective to meet the needs of the group for the type and volume of businesses conducted in the current business environment.

(ii) Can the CEO explain in greater detail the reasons for the group's failure to maintain complete financial records in 2018? Given the scale of the group's operations, did the group have backup/fallback or a cloud-based system?

(iii) Can the board elaborate further on the improvements it will be making to the group's internal controls and IT infrastructure to safeguard the interests of the company and of its shareholders?

(iv) Have the independent directors carried out a post-mortem analysis of the group's operational and financial performance from FY13 to FY17?

(v) Given the group's financial performance leading up to 2018, would the independent directors on the board be carrying out a review to assess the core competencies of the group and its management team to ensure that the company has the necessary human resources in place to meet its long term objectives?

Company's Response:

Since the Company ceased operations in or around June 2018 and eventually voluntarily suspended the trading of its shares, the Company within a short period of time experienced a high turnover in the finance function across its global offices and since then, has been operating with only a skeleton team taking on multiple roles that included focusing on other tasks on securing fund to restart operation, working with

professionals to address its outstanding debt through scheme of arrangement and restructuring its corporate structure (which have been put in place and/or are in the final stages of implementation) and most importantly, sourcing for white knights and/or investors that would be able to provide funding for the Company's existing operations and business going forward.

Given the scale of the Group's operations then, the Company does have an online platform which was operated via a data center using a cloud-based system and connected to the local server to store financial records. However, as set out in Note 2.1 of the Auditor's report (pages 56 to 57 of the FY2018 AR), following the turnover of its employees of the Company and its subsidiaries, some of the office premises of the overseas subsidiaries were also repossessed by their respective landlords due to unpaid rental. As the Company relied on the accounting data and financial records prepared or provided by all the finance staff across all the officers, and reconciled the accounts stored in the Company's in-house IT system, which was running via a data center and connected to the local server, it was impossible to conduct the reconciliation of the files as the inputs that were required across the respective officers through their working files were saved in their respective local computer hard disks that were not backed up and/or linked to the local server.

Nonetheless, included as part of the restructuring plans, the Company will update and enhance its financial, operational, compliance and information technology controls and risk management systems to meet the current business environment to prevent similar incidences from occurring going forward.

Since the Company voluntarily suspended the trading of its shares till date, the Board has also undergone changes. All the independent directors from FY13 to FY17 have left the Company. As of date, with its remaining bare resources, the Company is now focused on working towards meeting the milestones set out in the resumption proposal and its auditors to complete the FY2019 and FY2020 audit. The Board will conduct the appropriate reviews in due course.

BY ORDER OF THE BOARD

Boh Tuang Poh
Executive Chairman and Chief Executive Officer

24 September 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Bao Qing - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com