



FOR IMMEDIATE RELEASE – PRESS RELEASE

The Group on track with Merger and Acquisition and fund raising activities

- **The Group to continue focusing on organic growth and turnaround strategies**
- **On track with Merger and Acquisition (“M&A”) and fund raising activities**
- **ZhongHong Holding Ltd completed the Placement Agreement and invested S\$10 million in the Group**

Singapore, 14 May 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\$2.1 million for second quarter of financial year 2015 (“FY2015”) as compared to S\$1.8 million net loss attributable to owners of the Company in the corresponding period in FY2014.

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

The strategies are as follows:

- 1) Organic Growth and Turnaround Strategies; and
- 2) Fund Raising and 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 ways to further reduce its operating costs.

b) The Group is actively exploring ways to further reduce A&P spending evident by the reduction in A&P spending in the current financial period under review.

c) The Group has launched its first mobile travel agency on wheels (O2O - online to offline 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 is intended to influence 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 M&A Activities:

The Placement Agreement between the Group and ZhongHong Holding Co., Ltd (“ZhongHong”) was completed on 8 April 2015. The Group has made the Announcement on the Completion of the Placement Agreement on 8 April 2015. The Group will be engaging with ZhongHong on deeper and substantive collaborations which the Group will be announcing in due course.

The Group’s cash position was approximately S\$16.0 million upon the completion of the Placement Agreement.

The Group is in discussions 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 may attract higher valuation.

In the past few years, the Group has invested heavily on developing and expanding its hotel reservation platform to a 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 places 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.

While the Group’s 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 shareholder value.

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About Asiatravel.com Holdings Ltd -

It is Asia’s leading online travel company that offers a global inventory of over 8 million travel products worldwide. Its online booking feature for all-inclusive packages strongly appeals to travellers seeking convenience, instant confirmation and extra savings. Its ability to provide full travel services at packaged prices establishes its distinctive position in the online travel market.

Serving customers worldwide through 14 major language sites, its 19 offices throughout Asia, Middle East and Europe operate and provide 24 X 7 customer services. With a comprehensive ground experience, supplier relationships, proprietary systems and operational knowledge, Asiatravel.com maintains a strong recognised travel brand for reliability, sincerity and integrity for consumers and partners alike.

Established in 1995, it is listed on the Singapore Stock Exchange since 2001. Its recently established B2B division consists of TAcetre.com and Savio-Staff-Travel serving the travel industry and corporate sectors respectively. For more information please visit www.asiatravel.com

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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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