

**Asiatravel.com**



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

**Second Quarter Financial Statement And Related Announcement For The Period Ended 31 March 2017**

**PART I - INFORMATION REQUIRED FOR SECOND QUARTER RESULTS FOR THE PERIOD ENDED 31 March 2017**

- 1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		%
	S\$'000	S\$'000	
	January 2017 to March 2017	January 2016 to March 2016	Increase / (Decrease)
<b>Revenue</b>			
Sales of services	70,039	25,629	173.3
<b>Other items of income</b>			
Other income	281	422	(33.4)
	<u>70,320</u>	<u>26,051</u>	169.9
<b>Items of expenses</b>			
Changes in inventories	66,421	22,114	200.4
Amortisation of intangible assets	480	268	79.1
Salaries and employee benefits	3,327	2,590	28.5
Depreciation of property, plant and equipment	321	254	26.4
Other operating expenses	3,321	3,269	1.6
Finance costs	38	61	(37.7)
	<u>73,908</u>	<u>28,556</u>	158.8
<b>Loss before tax</b>	(3,588)	(2,505)	43.2
Income tax	(12)	(11)	9.1
<b>Loss net of tax</b>	<u>(3,600)</u>	<u>(2,516)</u>	43.1
<b>Attributable to:</b>			
Owners of the Company	(3,343)	(2,166)	54.3
Non-controlling interests	(257)	(350)	(26.6)
	<u>(3,600)</u>	<u>(2,516)</u>	43.1

N/M = Not Meaningful

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

	GROUP		% Increase / (Decrease)
	January 2017 to March 2017	January 2016 to March 2016	
Loss net of tax	(3,600)	(2,516)	43.1
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Translation of financial statements of foreign subsidiaries	(95)	(374)	(74.6)
<b>Total comprehensive income for the year</b>	<b>(3,695)</b>	<b>(2,890)</b>	<b>27.9</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the Company	(3,438)	(2,540)	35.4
Non-controlling interests	(257)	(350)	(26.6)
<b>Total comprehensive income for the year</b>	<b>(3,695)</b>	<b>(2,890)</b>	<b>27.9</b>

Notes :

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

	GROUP		% Increase / (Decrease)
	January 2017 to March 2017	January 2016 to March 2016	
(a) Amortisation of intangible assets	480	268	79.1
(b) Depreciation of property, plant and equipment	321	254	26.4
(c) Foreign exchange (gain) / loss, net	(94)	93	(201.1)
(d) Interest income	-	(1)	N/M
(e) Finance costs	38	61	(37.7)

N/M = Not Meaningful  
# - Less than S\$1,000

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group S\$'000		Company S\$'000	
	31/03/2017	30/09/2016	31/03/2017	30/09/2016
Intangible assets	12,213	7,746	4,222	4,317
Property, plant and equipment	4,685	4,882	67	144
Investment in subsidiaries	-	-	6,541	6,541
Other investments	85	85	-	-
Deferred tax assets	20	5	-	-
	17,003	12,718	10,830	11,002
<b>Current Assets</b>				
Inventories	4,187	4,205	-	-
Trade receivables	11,004	10,763	336	1,195
Prepaid operating expenses	1,644	1,920	298	180
Other receivables	7,055	7,887	6,670	5,308
Amounts due from subsidiaries	-	-	26,250	17,957
Fixed deposits and cash pledged	2,094	2,066	1,930	1,906
Cash and cash equivalents	7,347	3,932	3,778	1,844
	33,331	30,773	39,262	28,390
<b>Current Liabilities</b>				
Trade payables	5,770	5,255	-	-
Deferred income	4,048	4,380	42	260
Other payables	10,426	7,836	5,526	2,123
Amounts due to subsidiaries	-	-	15,710	15,519
Obligations under finance leases	881	966	34	33
Income tax payable	69	24	-	-
	21,194	18,461	21,312	17,935
<b>Net Current Assets</b>	12,137	12,312	17,950	10,455
<b>Non-Current Liabilities</b>				
Obligations under finance leases	486	673	114	132
Deferred tax liabilities	3	3	-	-
<b>Net Assets</b>	28,651	24,354	28,666	21,325
<b>Equity attributable to owners of the Company</b>				
Share capital and treasury shares	69,210	59,928	69,210	59,928
Reserves	(41,382)	(36,890)	(40,544)	(38,603)
<b>Shareholders' equity</b>	27,828	23,038	28,666	21,325
Non-controlling interests	823	1,316	-	-
<b>Total equity</b>	28,651	24,354	28,666	21,325

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

**Amount repayable in one year or less, or on demand**

As at 31/03/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
881	NIL	966	NIL

**Amount repayable after one year**

As at 31/03/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
486	NIL	673	NIL

**Details of any collateral**

S\$1.37 million of obligation under hire purchase lease has been pledged against the Group's fleet of vehicles.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	01/01/2017 to 31/03/2017 S\$'000	01/01/2016 to 31/03/2016 S\$'000
<b>Cash flows from operating activities :</b>		
<b>Loss before income tax and non-controlling interests</b>	(3,588)	(2,505)
Adjustments for :		
Depreciation of property, plant and equipment	321	254
Amortisation of intangible assets	480	268
Interest expense	38	61
Interest income	-	(1)
Exchange (gain) / loss - unrealised	(36)	77
<b>Operating cash flows before changes in working capital</b>	(2,785)	(2,074)
<b>Changes in working capital</b>		
(Increase) / decrease increase in inventories	(135)	231
Increase in receivables and prepaid operating expenses	(1,096)	(48)
(Decrease) / increase in payables	(896)	1,526
Increase in amount due to related parties	-	17
<b>Cash used in operations</b>	(4,912)	(348)
Interest paid	(38)	(61)
Interest received	-	1
Income tax paid	(11)	(7)
Translation adjustment	(93)	(228)
<b>Net cash flows used in operating activities</b>	(5,054)	(415)
<b>Cash flows from investing activities :</b>		
Purchase of property, plant and equipment	(35)	(87)
Additional to intangible assets	(710)	(399)
Decrease in fixed deposit pledged	-	24
Acquisition of subsidiaries	767	-
<b>Net cash flows generated from / (used in) investing activities</b>	22	(462)
<b>Cash flows from financing activities :</b>		
Repayment of obligations under finance leases	(32)	(227)
Issuance of new shares	(24)	-
Payment for treasury shares	(5)	-
<b>Net cash flows used in financing activities</b>	(61)	(227)
Net decrease in cash and cash equivalents	(5,093)	(1,104)
Cash and cash equivalents at the beginning of year	12,404	5,869
Effects of exchange rate changes on cash and cash equivalents	36	16
<b>Cash and cash equivalents at end of the period</b>	<b>7,347</b>	<b>4,781</b>
<b>Fixed deposit and cash pledged</b>	<b>2,094</b>	<b>2,757</b>
<b>Total cash balance</b>	<b>9,441</b>	<b>7,538</b>

# - Less than S\$1,000/-

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2017									
Balance at 1 January 2017	73,438	(4,199)	(38,417)	(913)	1,372	14	(37,944)	1,080	32,375
Loss net of tax	-	-	(3,343)	-	-	-	(3,343)	(257)	(3,600)
<b>Other comprehensive income for the period</b>									
Translation of financial statements of foreign subsidiaries	-	-	-	(95)	-	-	(95)	-	(95)
<b>Total comprehensive income for the period</b>	-	-	(3,343)	(95)	-	-	(3,438)	(257)	(3,695)
<b>Others</b>									
Payment for treasury shares	-	(5)	-	-	-	-	-	-	(5)
Proceed from issuance of new shares, net of expenses	(24)	-	-	-	-	-	-	-	(24)
<b>Total Others</b>	(24)	(5)	-	-	-	-	-	-	(29)
<b>Balance at 31 March 2017</b>	<b>73,414</b>	<b>(4,204)</b>	<b>(41,760)</b>	<b>(1,008)</b>	<b>1,372</b>	<b>14</b>	<b>(41,382)</b>	<b>823</b>	<b>28,651</b>

<u>Group</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Foreign currency translation reserve S\$'000	Capital reserve S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
2016									
Balance at 1 January 2016	56,107	(3,124)	(30,338)	(1,140)	1,372	13	(30,093)	2,083	24,973
Loss net of tax	-	-	(2,166)	-	-	-	(2,166)	(350)	(2,516)
<b>Other comprehensive income for the period</b>									
Translation of financial statements of foreign subsidiaries	-	-	-	(374)	-	-	(374)	-	(374)
<b>Total comprehensive income for the period</b>	-	-	(2,166)	(374)	-	-	(2,540)	(350)	(2,890)
<b>Balance at 31 March 2016</b>	<b>56,107</b>	<b>(3,124)</b>	<b>(32,504)</b>	<b>(1,514)</b>	<b>1,372</b>	<b>13</b>	<b>(32,633)</b>	<b>1,733</b>	<b>22,083</b>

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>2017</b>						
<b>Balance at 1 January 2017</b>	73,438	(4,199)	(39,458)	14	(39,444)	29,795
Loss net of tax	-	-	(1,100)	-	(1,100)	(1,100)
<b>Total comprehensive income for the period</b>	-	-	(1,100)	-	(1,100)	(1,100)
<b><u>Contribution by and distributions to owners</u></b>						
Payment for treasury shares	-	(5)	-	-	-	(5)
Proceed from issuance of new shares, net of expenses	(24)	-	-	-	-	(24)
<b>Total contribution by and distributions to owners</b>	(24)	(5)	-	-	-	(29)
<b>Balance at 31 March 2017</b>	73,414	(4,204)	(40,558)	14	(40,544)	28,666

<u>Company</u>	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Share-based compensation reserve S\$'000	Total reserves S\$'000	Total equity S\$'000
<b>2016</b>						
<b>Balance at 1 January 2016</b>	56,107	(3,124)	(34,676)	13	(34,663)	18,320
Loss net of tax	-	-	(1,209)	-	(1,209)	(1,209)
<b>Total comprehensive income for the period</b>	-	-	(1,209)	-	(1,209)	(1,209)
<b>Balance at 31 March 2016</b>	56,107	(3,124)	(35,885)	13	(35,872)	17,111

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Details of any changes in the Group's issued share capital		Number of Ordinary Shares	Paid-up Capital S\$
As at 1 January 2017	Issued and fully paid ordinary shares at beginning of financial period	432,675,286	69,609,233
1 January 2017	Share issuance expenses	-	(396,799)
4 January 2017	Purchase of treasury shares @ S\$0.0770 from open market	(100)	(51)
5 January 2017	Purchase of treasury shares @ S\$0.0750 from open market	(30,000)	(2,294)
As at 31 March 2017	Issued and fully paid ordinary shares at end of financial period	432,645,186	69,210,089

Note : There were 17,089,100 Treasury Shares as at 31 March 2017 and 10,646,000 shares as at 31 March 2016.

The number of shares that may be issued on conversion of all outstanding options granted pursuant to the Employees' Share Option Scheme amounted to 300,000 as at 31 March 2017 and 31 March 2016.

Save as disclosed above, there have been no bonus or other issues of shares during the period.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Number of Ordinary Shares	Number of Ordinary Shares
	31/03/2017	30/09/2016
Total number of issued shares excluding treasury shares	432,645,186	386,176,886

- 1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to treasury shares.

- 1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

During the financial period, there was no transaction pertaining to subsidiary holdings.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures in this announcement have not been audited or reviewed.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

N/A



**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Other than as mentioned in Section 5 regarding the adoption of new and revised Singapore Financial Reporting Standards, the same accounting policies and methods of computation have been applied as of the most recently audited annual financial statements.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The Group adopted all new and revised Singapore Financial Reporting Standards (FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 October 2016. The adoption of the new and revised FRS had no significant impact on the financial statements of the Group.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	<b>GROUP</b>	
	Jan 2017 to Mar 2017	Jan 2016 to Mar 2016
Loss per Ordinary Share for the full-year based on net profit attributable to shareholders:-		
(i) Based on the weighted average number of ordinary shares on issue	(0.77) cts	(0.62) cts
(ii) On a fully diluted basis	(0.77) cts	(0.62) cts

The basic loss per share (LPS) is computed based on the weighted average number of shares in issue of 432,646,857 shares during this period (2QFY2016: 350,588,286).

The financial effect of share options issued has been disregarded in the calculation for dilutive LPS for the period as they are anti-dilutive.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	<b>GROUP</b>	
	As at 31 March 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	6.43 cts	5.97 cts
	<b>COMPANY</b>	
	As at 31 March 2017	As at 30 September 2016
Net Asset Value per Ordinary Share based on issued share capital	6.63 cts	5.52 cts

The Net Assets Value per Ordinary Share is computed on the number of 432,645,186 shares in issue as at 31 March 2017 and 386,176,886 shares as at 30 September 2016.

**8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

With the acquisition of the 3 PRC companies, the Group has officially entered into the China tourism market and the Group's revenue significantly increased by 173.3% (S\$44.4 million) to S\$70.0 million for the current financial period under review when compared to S\$25.6 million in the corresponding financial period in FY 2016.

The Group has recorded significant revenue growth for the current financial period under review mainly contributed by the Group's China operations:

- 1) The Group's hotel reservation business increased by 98.8% (S\$19.1 million) from S\$19.3 million in FY2016 to S\$38.4 million in FY2017; and
- 2) The Group's tour packages business increased by 419.9% (S\$25.3 million) from S\$6.0 million in FY2016 to S\$31.4 million in FY2017.

The Group's changes in inventories (Cost of Services) increased by 200.4% which is in tandem with the increase in the Group's revenue.

The Group's expenses increased mainly due to additional business costs in China.

The Group's salaries and employee benefits increased by S\$0.7 million was mainly due to the additional staff in the Group's china office.

The Group's loss before tax increased by 43.2% (S\$1.1 million) from S\$2.5 million in FY2016 to S\$3.6 million in FY 2017 mainly due to the additional business cost in the Group's China operations and the reduction in the Group's gross margin to gain market penetration and market share in China.

The Group's intangible assets increased by 57.7% (S\$4.5 million) from S\$7.7 million in FY2106 to S\$12.2 million in FY 2017 mainly due to the increase in software development costs through acquisition of China subsidiaries as announced on 11 April 2017.

The increase in the Group's trade and other payables of S\$0.5 million and S\$2.6 million respectively are in tandem with the increase in the Group changes in inventories (cost of services).

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

No specific forecast or prospect statement was previously disclosed.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

With reference to the announcement made on 11 April 2017, the Group has completed acquisition of 3 PRC companies. With this acquisition, the Group has secured the relevant travel agent and online licenses to operate in China. The acquisition has also formalized the Group's corporate structure, completing its re-positioning strategy to be a China-centric player and is now in a better position to tap into the huge and growing China outbound travel market.

Together with the substantial investments in strengthening of the Group's infrastructure and network across Asia, developing new products and establishing strong ground presence in China, the Group can monetize its past investments to significantly grow its revenue in FY2017 and beyond.

As the Group scales up its operations and revenue growth, it will work on the profitability.

The Group will continue to raise funds to strengthen its balance sheet and cashflow to embark on its growth strategy and plan to enhance shareholder value.

11. **Dividend**

**(a) Current Financial Period Reported On**

Name of Dividend            NA  
Dividend Type  
Dividend Amount per Share (in cents)  
Tax Rate

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend            NA  
Dividend Type  
Dividend Amount per Share (in cents)  
Tax Rate

**(c) Date payable**

NA

**(d) Books closure date**

NA

12. **If no dividend has been declared/recommended, a statement to that effect.**

No final dividend has been declared.

13. **If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.**

The Group has not obtained a general mandate from shareholders for IPTs.

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
NA	NIL	NIL

**14. Use of proceeds from placement**

Further to the Company's announcement made on 24 November 2016 in relation to the completion of the placement, the Company wishes to provide an update on the utilisation of the net proceeds from the placement of approximately S\$9,377,000.

The Company has utilised S\$5,500,000 for its expansion of operations in the PRC which is inline with the intended use of the net proceeds stated in the announcement on 24 November 2016.

**15. Confirmation by the Board pursuant to Rule 720(1) of the Listing manual**

The Company has procured undertakings from all the Directors and Executives Officers of the Company under Rule 720(1).

**16. Confirmation by the Board**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to its attention of which may render the interim financial statement for the financial period ended 31 March 2017 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Boh Tuang Poh**  
**Executive Director**  
(09/05/2017)

**Heng Su-Ling, Mae**  
**Independent Director**  
(09/05/2017)

*This announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST").*

*The Company's Sponsor has not independently verified the contents of this announcement. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The details of the contact person for the Sponsor is:-*

*Name: Mr. Mah How Soon, (Registered Professional, RHT Capital Pte. Ltd.)*

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