

Issuer: Asiatravel.com Holdings Ltd

Security: Asiatravel.com Holdings Ltd

Meeting details:

Date: 25 January 2017

Time: 10:00H

Venue: 743 Lorong 5 Toa Payoh, Level 2, Singapore 319457

Company Description

Asiatravel.com Holdings Ltd, an investment holding company, engages in the sale of tour packages, provision of Internet hotel reservation, and other promotion services worldwide. The company operates through seven segments: Hotel Reservation; Hotel Promotion Service; Attraction Tickets, Transportation and Tour Packages; Air Tickets; Corporate; Online Wholesale; and Flight Packages. It provides online hotel room booking services through its Website and wholesale hotel reservation services; and promotes hotels' and resorts' products and services on interactive and cable television channels. The company is also involved in the arrangement of inbound and outbound sightseeing tours; and provision of accommodation, meals, and transport management services. In addition, it offers online air tickets through its Website; and online air tickets, accommodations, and tour packages to travel agencies and customers. Asiatravel.com Holdings Ltd was founded in 1995 and is based in Singapore.

(Source: http://www.sgx.com/wps/portal/sgxweb/home/company_disclosure/stockfacts?code=5AM)

Q1. In the Chairman’s Statement (page 3 of the annual report), it was mentioned that:

Since FY2015, the Group’s senior management have spent substantial time in China setting up IT and product development team to build a China centric website and mobile application with user interfaces dedicated for the Chinese outbound travelers, setting up operational, customer service and marketing team to market and position itself as a China outbound travel player to achieve a successful penetration into this very important market.

- a) There are big competitors, such as Ctrip, Qunar and Tuniu in the Chinese market. These three are listed on the Nasdaq and their market capitalisations are US\$22 billion, US\$4.5 billion and US\$1.2 billion respectively. How does the group intend to compete with these “big boys”? How unique is the group’s offering compared to the competitors?**

In the Five year financial summary (page 14), the profits/(loss) attributable to equity holders from FY2012 to FY2016 are (\$3.8) million, (\$5.7) million, (\$9.6) million, (\$10.8) million and (\$8.8) million. The group’s accumulated losses as at 30 September 2016 have reached (\$36.7) million. The net cash flow used in operating activities were (\$7.0) million in 2016 and (\$7.5) million in 2015.

- b) How confident is management that the group will be able to penetrate the Chinese market and turn the group back into profitability? Are the projected margins/profits from the Chinese market so attractive that the group appears to be focusing solely on the Chinese market for growth?**

Q2. Can the company explain and/or provide extra clarification to the following items from the financial statements?

Note	Details	2016 \$'000	2015 \$'000	Remarks
Note 11- Other Receivables	Other debtors	5,636	237	Please explain the increase who the “Other debtors”/ “Other creditors” are and provide reasons for the increase.
Note 15 – Trade and other payables	Other creditors	2,554	1,000	
Note 22 – Other income	Service fee	3,519	-	Please explain what kind of service has been provided, and to whom.

In addition, in Note 10 (Trade Receivables – page 121), receivables that are past due but not impaired for More than 120 days increased from \$75,000 in 2015 to \$3.35 million. **Please identify the customer (or provide the customer’s profile). What are the measures taken by the group to improve on the collection?**

Q3. Guideline 9.4 of the Code of Corporate Governance 2012 (CG Code) states that:

For transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee’s relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The company need only show the applicable bands.

In the Report of Corporate Governance (page 63), it was disclosed that Mr. Boh Sui Hou, son of Mr. Boh Tuang Poh, the Executive Chairman and CEO of the group, had a remuneration package that was above S\$50,000 and below S\$250,000.

Please disclose the details of the remuneration of Mr. Boh Sui Hou in incremental bands of S\$50,000 as stated in guideline 9.4 of the Code of Corporate Governance 2012.