

The Directors are pleased to present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 30 September 2001.

### Directors

The Directors of the Company in office at the date of this report are :-

Patrick Ngiam Mia Je  
 Boh Tuang Poh  
 Ang Eu Khoon  
 Joanna Yeo  
 Lim Chuan Poh (Appointed on 27 February 2001)  
 Khoo Ho Tong (Appointed on 27 February 2001)

On 1 March 2001, the Company was converted into a public company and changed its name from Asiatravel.com Holdings Pte Ltd to Asiatravel.com Holdings Ltd. The Company's shares were listed on the Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ) on 11 April 2001.

### Principal activities

The principal activity of the Company is that of an investment holding company.

The principal activities of its subsidiary companies are :-

- i) the provision of internet hotel reservation service, website membership and sale of tour packages;
- ii) the provision of tours and transportation packages;
- iii) the provision of business-to-business hotel reservation service;
- iv) the provision of internet hotel reservation software; and
- v) the provision of electronic-commerce, technical and consultancy service.

There have been no significant changes in the nature of these activities during the financial year.

### Results for the financial year

	Group \$'000	Company \$'000
Net profit for the financial year	1,150	1,031
Beginning retained earnings/(accumulated losses)	1,014	(68)
Cumulative effect of change in accounting policy	(61)	-
Beginning retained earnings/(accumulated losses) after cumulative effect of change in accounting policy	953	(68)
Proposed first interim dividend	(500)	(500)
Retained earnings carried forward	1,603	463

## Material movements in reserves and provisions

The following transfers have been made to/(from) reserves :

	Group \$'000	Company \$'000
<i>Retained earnings/accumulated losses</i>		
Change in accounting policy [note 2(b)]	(61)	–
Net profit for the financial year	1,150	1,031
Proposed first interim dividend	(500)	(500)
<i>Foreign currency translation reserve</i>		
Adjustment arising on consolidation	(97)	–
<i>Share premium account</i>		
Premium of \$0.57 per share on the issue of 239,363 ordinary shares of \$1 each	136	136
Premium of \$0.185 per share on the issue of 23,500,000 ordinary shares of \$0.015 each	4,348	4,348
Expenses in relation to the Initial Public Offer	<u>(1,656)</u>	<u>(1,656)</u>

There were no other material transfers to or from reserves or provisions during the financial year except for normal amounts set aside for such items as depreciation of fixed assets, amortisation of website development costs and provision for doubtful trade debts and income tax as shown in the financial statements.

## Acquisition and disposal of subsidiary companies

During the financial year, AT Reservation Network Pte Ltd incorporated a subsidiary company, Asiatravel Vietnam (S) Pte Ltd, with an issued capital of 2 subscribers' shares of \$1 each at par. By a Director's resolution dated 27 February 2001, the Group acquired an additional 17,499 shares of \$1 each in Asiatravel Vietnam (S) Pte Ltd for a consideration of \$17,499, representing 70% interest in the company.

During the financial year, AT Phil., Inc. incorporated :

- a) a subsidiary company, AT Pacific Management Inc., with an issued capital of 5,000 subscribers' shares of Peso 1 each at par. The Group through AT Phil., Inc. acquired 3,400 ordinary shares in AT Pacific Management Inc. for a consideration of Peso 3,400, representing a 68% interest in the company; and
- b) a subsidiary company, Islander Exclusive Express Tours, Travel and Transportation, Inc., with an issued capital of 500,000 subscribers' shares of Peso 1 each at par. The Group acquired 349,997 ordinary shares in Islander Exclusive Express Tours, Travel and Transportation, Inc. for a consideration of Peso 349,997, representing a 70% interest in the company.

There were no other acquisitions or disposals of subsidiary companies during the financial year.

### Share capital and debentures

During the financial year, the Company :

- (a) subdivided its ordinary shares of \$1 each in its authorised and issued paid-up share capital from \$1 each to \$0.01 each;
- (b) increased its authorised share capital from \$5,000,000 comprising 500,000,000 ordinary shares of \$0.01 each to \$6,000,000 comprising 600,000,000 ordinary shares of \$0.01 each by the creation of 100,000,000 ordinary shares of \$0.01 each;
- (c) issued 239,363 ordinary shares of \$1 each at a premium of \$0.57 per share as purchase consideration for the acquisition of investment in STAR-Travel.com Limited, a wholly owned subsidiary company of STARTV.com Holdings Limited, pursuant to an investment and equity exchange agreement;
- (d) issued 1,450 ordinary shares of \$0.01 each at par to Mr Boh Tuang Poh and/or his nominated beneficiaries for the purpose of rounding off the total number of shares in relation to the restructuring of the Group for the Initial Public Offer;
- (e) consolidated its authorised and issued paid-up share capital from \$0.01 each to \$0.015 each; and
- (f) issued 23,500,000 ordinary shares of \$0.015 each at a premium of \$0.185 per share for cash pursuant to an offer to the public.

During the financial year, AT Reservation Network Pte Ltd subscribed for additional new shares in its subsidiary companies and maintained its interest as follows :

Name of Company	Equity interest %	Additional issued shares subscribed of \$1 each	Consideration \$
Hotelexchange.com Pte. Ltd.	75	300,040	300,040
Hotel-Solution.com Pte. Ltd.	75	150,020	150,020
Asiatravel Vietnam (S) Pte Ltd	70	35,000	35,000

No other subsidiary companies issued any shares during the financial year.

The Company and its subsidiary companies did not issue any debentures during the financial year.

### Arrangements to enable Directors to acquire shares and debentures

Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose object is to enable the Directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

## Directors' interest in shares and debentures

No Director who held office at the end of financial year had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, an interest in shares of the Company or its related corporations except as stated below :-

Name of Director	Held in the name of Directors		Deemed interest	
	At beginning of the financial year/date of appointment	At end of the financial year	At beginning of the financial year/date of appointment	At end of the financial year
<b>The Company</b> <i>Asiatravel.com Holdings Ltd</i>	<i>Ordinary shares of \$1 each</i>	<i>Ordinary shares of \$0.015 each</i>	<i>Ordinary shares of \$1 each</i>	<i>Ordinary shares of \$0.015 each</i>
Patrick Ngiam Mia Je	–	–	–	8,929,500
Boh Tuang Poh	479,892	21,992,800	–	10,000,000
Ang Eu Khoon	–	3,432,400	–	–
Joanna Yeo	–	5,544,400	–	200,000
Khoo Ho Tong	–	125,000	–	–

There was no change in any of the above mentioned interests between the end of the financial year and 21 October 2001.

Messrs Boh Tuang Poh is deemed to have an interest in the shares of the Company's subsidiary companies at the end of the financial year in proportion to its interest in the subsidiary companies by virtue of his interest in more than 20% of the issued share capital of the Company.

## Dividends

No dividend was paid during the financial year in respect of the previous financial year. The Directors propose a first interim dividend of 0.423 cents per ordinary share (28.2%) less income tax, amounting to \$500,000 be paid for the year ended 30 September 2001. No final dividend is proposed for the current financial year.

## Bad and doubtful debts

Before the profit and loss account and the balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that proper action had been taken in relation to the writing-off of bad debts and the making of provision for doubtful debts, and have satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Directors are not aware of any circumstances which would render any amount written-off or the amount of provision for doubtful debts inadequate to any substantial extent.

**Current assets**

Before the profit and loss account and the balance sheet of the Company were made out, the Directors took reasonable steps to ascertain that any current assets which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values or adequate provision had been made for the diminution in value of such current assets.

At the date of this report, the Directors are not aware of any circumstances which would render the values attributed to current assets in the consolidated financial statements misleading.

**Charges on assets and contingent liabilities**

Since the end of the financial year, and up to the date of this report, no charge on the assets of the Company or any company in the Group has arisen which secures the liabilities of any other person and no contingent liability has arisen.

**Ability to meet obligations**

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company and of the Group to meet their obligations as and when they fall due.

**Other circumstances affecting the financial statements**

At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or in the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

**Unusual items**

In the opinion of the Directors, except for the change in accounting policy as disclosed in the financial statements, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**Unusual items after the financial year**

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

**Directors' contractual benefits**

Since the end of the previous financial year, no Director has received or has become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the Director, or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

## Options

### *Asiatravel.com Share Option Scheme ("Scheme")*

The Asiatravel.com Share Option Scheme ("Scheme") was approved in principle by the members of the Company at the Extraordinary General Meeting held on 16 March 2001. Under the Scheme, selected full time employees of the Company and its subsidiary companies, including all executive and non-executive Directors, are eligible to participate in the Scheme at the discretion of the Remuneration Committee.

Pursuant to Clause 947 (Practice Note No. 9h) of the Listing Manual of the Singapore Exchange Securities Trading Limited, it is reported that during the financial year, members of the Remuneration Committee administering the Scheme are as follows :

Patrick Ngiam Mia Je  
Boh Tuang Poh  
Khoo Ho Tong  
Lim Chuan Poh (Chairman)

No share was issued pursuant to the exercise of any option to subscribe for shares in the Company.

At the end of the financial year, unissued shares that were under the options were as follows :

Date of Grant	Option Period	Shares subject to options	Exercise Price per share \$
16 July 2001	17 July 2002 - 16 July 2011	6,172,500	0.20
16 July 2001	17 July 2003 - 16 July 2011	6,172,500	0.16

During the financial year, Directors granted options under the Scheme were as follows :

Participant	Options granted	Aggregate Options granted since commencement of the Scheme	Aggregate Options exercised since commencement of the Scheme	Aggregate Options outstanding
Ang Eu Khoon	360,000	360,000	–	360,000
Joanna Yeo	400,000	400,000	–	400,000
Lim Chuan Poh	400,000	400,000	–	400,000
Khoo Ho Tong	400,000	400,000	–	400,000

### *Statutory and other information regarding the options :*

- (i) The Subscription Price per share shall be determined by the Remuneration Committee at its absolute discretion and fixed by the Remuneration Committee, at a price not exceeding 20% discount on the market value of the shares based on the average of the last dealt price of the share for the five market days prior to the date of grant, as quoted and shown on the daily Financial News published by the SGX-ST, or its nominal value, whichever is higher.
- (ii) Eligible grantees who participate in the Scheme may also be eligible to participate in other share option schemes implemented by the Company or by the Company's subsidiary companies if under the rules of that scheme, he is eligible to participate in it.

**Options (cont'd)**

- (iii) The total number of shares to be issued by the Company in respect of which options are granted under the Scheme shall not exceed 25% of the total issued share capital of the Company from time to time.
- (iv) The offer of an option to an eligible grantee, if not accepted by him within 30 days from the date of such offer, will lapse. Upon acceptance of the offer, the eligible grantee to whom the option is granted shall pay to the Company a consideration of \$1.

**Subsequent events**

On 25 July 2001, a subsidiary company, AT Reservation Network Pte Ltd, made an application to the Registrar of Companies and Business to have its subsidiary company, ATSpanish.com Pte. Ltd., struck off its register under Section 344 of the Singapore Companies Act. On 16 November 2001, the Registrar of Companies and Business has issued a notice in the Government Gazette that at the expiration of the next three months, ATSpanish.com Pte. Ltd. will be struck off the register and dissolved.

**Auditor**

Ernst & Young have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board,

Boh Tuang Poh  
Director

Ang Eu Khoon  
Director

Singapore  
25 January 2002

## | statement by directors |

We, Boh Tuang Poh and Ang Eu Khoon, being two of the Directors of Asiatravel.com Holdings Ltd, do hereby state that, in the opinion of the Directors :-

- (a) the accompanying balance sheets, profit and loss accounts, statements of changes in equity and consolidated statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2001, and of the results of the business and changes in equity of the Company and of the Group and the cash flows of the Group for the year then ended, and
- (b) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on 25 January 2002.

On behalf of the Board,

Boh Tuang Poh  
Director

Ang Eu Khoon  
Director

Singapore  
25 January 2002

Asiatravel.com Holdings Ltd is committed to maintaining a high standard of corporate governance within the Group. Good corporate governance establishes and maintains a legal and ethical environment in the Group, which operates to preserve the interest of shareholders.

For effective corporate governance, the Company has put in place the following self-regulatory and monitoring mechanisms :

## **Board of Directors**

The Board oversees the business affairs of the Group, approves the financial objectives and the business strategies as well as monitors standards of performance and other significant corporate matters, both directly and indirectly through its committees.

The Board comprises six Directors, three of whom hold executive positions :

Executive Directors :

Boh Tuang Poh	(Chief Executive Officer)
Ang Eu Khoon	(Executive Director)
Joanna Yeo	(Chief Financial Officer)

Non-executive Directors

Patrick Ngiam Mia Je	(Non-Executive Chairman)
Lim Chuan Poh	(Independent Director)
Khoo Ho Tong	(Independent Director)

The Board holds at least three meetings each year. The Board approves the Group's strategic plans, key business initiatives, major investments and funding decisions; it reviews the Group's financial performance and determines the compensation of senior management. These functions are carried out by the Board directly or through committees of the Board which have been set up to support its work. Whist the Board takes a keen interest in the Group's business strategies, it is also committed to increasing the level of corporate governance so as to enable the Board to carry out such functions more effectively.

The following two committees have been set up by the Board :

## **Audit Committee**

The Audit Committee comprises three Board members, two of whom are independent non-executive Directors :

Khoo Ho Tong	(Chairman, Independent Director)
Lim Chuan Poh	(Independent Director)
Joanna Yeo	(Chief Financial Officer)

## **Audit Committee (cont'd)**

The Committee will hold at least three meetings each year to :

- (1) review with the external auditors :-
  - (a) the audit plan, including the nature and scope of the audit before the audit commences;
  - (b) their evaluation of the system of internal accounting controls;
  - (c) their audit report; and
  - (d) their management letter and management's response;
- (2) ensure co-ordination where more than one audit firm is involved;
- (3) review the half-year and annual financial statements before submission to the Board for approval, focusing in particular, on :
  - (a) changes in accounting policies and practices;
  - (b) major risk areas;
  - (c) significant adjustments resulting from audit;
  - (d) the going concern statements;
  - (e) compliance with accounting standards; and
  - (f) compliance with stock exchange and statutory/regulatory requirements;
- (4) discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss in the absence of management where necessary;
- (5) review the assistance given by management to the auditor;
- (6) review the internal audit programme and ensure co-ordination between the internal and external auditors and management;
- (7) review the scope and results of the internal audit procedures;
- (8) review and discuss with the external auditors, any suspected fraud or irregularity, suspected infringement of any Singapore law, rules or regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and management's response;
- (9) report to the Board its findings from time to time on matters arising and requiring the attention of the Committee;
- (10) review transactions falling within the scope of Chapter 9A and Clause 1006 of the SGX Listing Manual;
- (11) undertake such other reviews and projects as may be requested by the Board;
- (12) undertake such functions and duties as may be required by statute or the Listing Manual, and by such amendments made thereto from time to time; and
- (13) consider the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors.

## ***Audit Committee (cont'd)***

The Committee has full access to and co-operation by the Company's management and the auditors and has full discretion to invite any director or executive officer to attend its meetings. The auditors have unrestricted access to the Audit Committee. The Audit Committee has reasonable resources to enable it to discharge its functions properly.

The Audit Committee may examine whatever aspects it deems appropriate of the Group's financial affairs, its audits and its exposure to risks of a regulatory or legal nature. It keeps under review the effectiveness of the Company's system of accounting and internal financial controls, for which the Directors are responsible. It also keeps under review the Company's programme to monitor compliance with its legal, regulatory and contractual obligations.

In the opinion of the Directors, Asiatravel.com Holdings Ltd complies with the Best Practices Guide adopted.

## ***Remuneration Committee***

The Remuneration Committee comprises four Board members, three of whom are non-executive Directors :

Lim Chuan Poh	(Chairman, Independent Director)
Patrick Ngiam Mia Je	(Non-executive Director)
Khoo Ho Tong	(Independent Director)
Boh Tuang Poh	(Chief Executive Officer)

## ***Remuneration packages of employees who are related to the Directors and substantial shareholders of the Company***

For the current financial year, there were 4 employees of the Group who are related to Joanna Yeo, who is a Director of the Company. The aggregate remuneration (including CPF contributions thereon and benefits) of these employees amounted to approximately \$258,046 for the year ended 30 September 2001.

The Audit Committee has reviewed and ensured that the remuneration packages of employees who are related to the Directors and substantial shareholders of the Company are in line with the Group's staff remuneration guidelines, and commensurate with their respective job scope and level of responsibilities. The Remuneration Committee is responsible for approving and overseeing share incentives, including the Share Option Scheme adopted by the Company. The Committee determines the eligibility of full time employees of the Company and its subsidiary companies to participate in the Scheme.

## ***Interested persons transactions***

During the year, a subsidiary company, S.H. Tours Pte. Ltd. rented office space of approximately 968 square feet from a related party, San's Rent-A-Car Pte Ltd at \$4,105 per month. Based on market rates obtained from newspaper classified advertisements, the rent paid by S.H. Tours Pte. Ltd. is comparable to market rates charged for similar office space. The space rented is used for daily operations of the company.

S.H. Tours Pte. Ltd. also leases coaches from San's Rent-A-Car at \$196,787 per month. Based on rates charged by San's Rent-A-Car to third parties, the lease payments paid by S.H. Tours Pte. Ltd. is comparable to market rates charged for similar coaches.

## ***Securities trading***

The Group has issued a policy on share dealings to all employees of the Group, setting out the implications of insider trading and the recommendations of the Best Practices Guide issued by the Singapore Exchange Securities Trading Limited. The Group has adopted a code of conduct to provide guidance to its officers with regard to dealing in the Company's shares.

On behalf of the Board,

Boh Tuang Poh  
Director

Ang Eu Khoon  
Director

Singapore  
25 January 2002

We have audited the financial statements of Asiatravel.com Holdings Ltd and the consolidated financial statements of the Group set out on pages 30 to 58, comprising the balance sheets of the Company and of the Group as at 30 September 2001, the profit and loss accounts and statements of changes in equity of the Company and of the Group and cash flows of the Group for the year ended 30 September 2001, and notes thereto. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the financial statements and consolidated financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("the Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of :-
  - (i) the state of affairs of the Company and of the Group as at 30 September 2001, and the results and changes in equity of the Company and of the Group and cash flows of the Group for the year ended on that date; and
  - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements and consolidated financial statements;
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by the subsidiary companies incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We have considered the financial statements of the subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of those subsidiary companies audited by member firms of Ernst and Young International and other firms are stated in Note 6.

We are satisfied that the financial statements of the subsidiary companies that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiary companies were not subject to any qualification and in respect the subsidiary companies incorporated in Singapore did not include any comment made under section 207(3) of the Act.

ERNST & YOUNG  
Certified Public Accountants

Singapore  
25 January 2002

# balance sheets

as at 30 September 2001

	Notes	Group		Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Non-current assets</b>					
Fixed assets	3	1,183	933	305	67
Website development costs	4	524	235	–	–
Deferred expenditure	5	–	327	–	327
Investment in subsidiary companies	6	–	–	1,855	1,855
Other investments	7	1,626	–	1,626	–
<b>Current assets</b>					
Stocks	8	34	16	–	–
Trade debtors	9	1,381	1,373	–	–
Other debtors	10	1,620	989	47	48
Amounts due from subsidiary companies	11	–	–	902	107
Amounts due from related parties	12	201	186	102	–
Dividend receivable		–	–	500	–
Fixed deposits		1,125	–	1,125	–
Cash and bank balances		3,898	2,381	669	255
		<u>8,259</u>	<u>4,945</u>	<u>3,345</u>	<u>410</u>
<b>Current liabilities</b>					
Trade creditors		581	697	–	–
Other creditors	13	2,390	1,831	218	219
Amounts due to subsidiary companies	11	–	–	626	753
Amounts due to related parties	14	108	7	–	–
Hire purchase creditors	15	232	179	24	–
Provision for income tax		843	719	–	–
Proposed dividend	25	500	–	500	–
		<u>4,654</u>	<u>3,433</u>	<u>1,368</u>	<u>972</u>
<b>Net current assets/(liabilities)</b>		3,605	1,512	1,977	(562)
<b>Non-current liabilities</b>					
Hire purchase creditors	15	(189)	(243)	(125)	–
Deferred income tax	16	(2)	(2)	–	–
		<u>6,747</u>	<u>2,762</u>	<u>5,638</u>	<u>1,687</u>
<b>Equity</b>					
Share capital	17	2,347	1,755	2,347	1,755
Share premium	18	2,828	–	2,828	–
Retained earnings/ (accumulated losses)	19	1,603	953	463	(68)
Foreign currency translation reserve		(140)	(43)	–	–
		<u>6,638</u>	<u>2,665</u>	<u>5,638</u>	<u>1,687</u>
Minority interest		109	97	–	–
		<u>6,747</u>	<u>2,762</u>	<u>5,638</u>	<u>1,687</u>

The accounting policies and explanatory notes on pages 35 to 58 form an integral part of the financial statements.

# profit and loss accounts

for the year ended 30 september 2001

	Notes	Group		Company	
		1.10.2000 to 30.9.2001 \$'000	1.12.1999 to 30.9.2000 \$'000	1.10.2000 to 30.9.2001 \$'000	1.12.1999 to 30.9.2000 \$'000
<b>Revenues</b>					
Sales of services	20	26,814	11,857	–	–
Dividend income (gross) from subsidiary companies		–	–	1,325	–
Other revenues	21	245	160	742	248
		<u>27,059</u>	<u>12,017</u>	<u>2,067</u>	<u>248</u>
<b>Costs and expenses</b>					
Cost of services		16,669	6,737	–	–
Amortisation of website development costs	4	123	21	–	–
Salaries and employee benefits	29	4,723	2,058	148	56
Depreciation of fixed assets	3	397	172	63	10
Other operating expenses	22	3,385	1,572	500	250
		<u>25,297</u>	<u>10,560</u>	<u>711</u>	<u>316</u>
<b>Profit/(loss) from operating activities</b>					
Finance costs	22	1,762 (37)	1,457 (18)	1,356 (4)	(68) –
<b>Profit/(loss) before income tax</b>					
Income tax	23	1,725 (737)	1,439 (534)	1,352 (321)	(68) –
<b>Profit after income tax</b>					
Minority interests		988 162	905 48	1,031 –	(68) –
<b>Net profit/(loss) for the financial year</b>					
		<u>1,150</u>	<u>953</u>	<u>1,031</u>	<u>(68)</u>
<b>Earnings per share</b>					
– Basic	24	<u>0.84 cents</u>	<u>1.16 cents</u>		
– Diluted	24	<u>0.83 cents</u>	<u>–</u>		

The accounting policies and explanatory notes on pages 35 to 58 form an integral part of the financial statements.

# statements of changes in equity

for the year ended 30 september 2001

	Group and Company			
	Amounts		Number of shares	
	2001 \$'000	2000 \$'000	2001 '000	2000 '000
<b>Authorised capital</b>				
– shares of \$1 each				
Balance at the beginning of year	5,000	100	5,000	100
Increase during the year	–	4,900	–	4,900
	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Sub-division of ordinary shares of \$1 each into shares of \$0.01 each	5,000	–	500,000	–
Increase during the year	1,000	–	100,000	–
	<u>6,000</u>	<u>5,000</u>	<u>600,000</u>	<u>5,000</u>
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each	–	–	400,000	–
Balance at the end of year	<u>6,000</u>	<u>5,000</u>	<u>400,000</u>	<u>5,000</u>
<b>Issued and fully paid up capital</b>				
– shares of \$1 each				
Balance at the beginning of year	1,755	– #	1,755	– #
Issue of ordinary shares	240	1,755	240	1,755
	<u>1,995</u>	<u>1,755</u>	<u>1,995</u>	<u>1,755</u>
Sub-division of ordinary shares of \$1 each into ordinary shares of \$0.01 each	1,995	–	199,469	–
Issue of ordinary shares	– #	–	1	–
	<u>1,995</u>	<u>1,755</u>	<u>199,470</u>	<u>1,755</u>
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each	1,995	1,755	132,980	–
Issue of ordinary shares pursuant to the Initial Public Offer	352	–	23,500	–
Balance at the end of year	<u>2,347</u>	<u>1,755</u>	<u>156,480</u>	<u>1,755</u>

# Amount less than \$1,000 or number of shares less than 1,000

# statements of changes in equity

for the year ended 30 september 2001

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Share premium</b>				
Balance at the beginning of year	–	–	–	–
Premium of \$0.57 per share from the issuance of 239,363 ordinary shares of \$1 each	136	–	136	–
Premium of \$0.185 per share from the issuance of 23,500,000 ordinary shares of \$0.015 each pursuant to the Initial Public Offer	4,348	–	4,348	–
Expenses in relation to the Initial Public Offer	(1,656)	–	(1,656)	–
Balance at the end of year	2,828	–	2,828	–
<b>Foreign currency translation reserve</b>				
Balance at the beginning of year	(43)	–	–	–
Adjustment for the year	(97)	(43)	–	–
Balance at end of year	(140)	(43)	–	–
<b>Retained earnings/ (accumulated losses)</b>				
Balance at the beginning of year	1,014	–	(68)	–
Cumulative effect of change in accounting policy [Note 2(b)]	(61)	–	–	–
Balance at the beginning of year after cumulative effect of change in accounting policy	953	–	(68)	–
Profit/(loss) for the year	1,150	1,014	1,031	(68)
Cumulative effect of change in accounting policy [Note 2(b)]	–	(61)	–	–
Restated profit/(loss) for the year after cumulative effect of change in accounting policy	1,150	953	1,031	(68)
Proposed first interim dividend (Note 25)	(500)	–	(500)	–
Balance at the end of year	1,603	953	463	(68)
<b>Total equity</b>	6,638	2,665	5,638	1,687
Total reserves are made up of :				
Distributable	1,603	953	463	(68)
Non-distributable	2,688	(43)	2,828	–
	4,291	910	3,291	(68)

The accounting policies and explanatory notes on pages 35 to 58 form an integral part of the financial statements.

# consolidated statement of cash flows

for the year ended 30 september 2001

	<b>1.10.2000 to 30.9.2001 \$'000</b>	<b>1.12.1999 to 30.9.2000 \$'000</b>
<b>Cash flows from operating activities :</b>		
<b>Profit before income tax</b>	1,725	1,439
Adjustments for :		
Depreciation of fixed assets	397	172
Amortisation of website development costs	123	21
Interest expense	37	18
Interest income	(54)	(7)
Loss on disposal of fixed assets	21	32
Gain on disposal of interest in a subsidiary company	(4)	–
Translation adjustment	(67)	(10)
<b>Operating income before working capital changes</b>	<u>2,178</u>	<u>1,665</u>
Increase in stocks	(18)	(16)
(Increase)/decrease in debtors	(639)	281
Increase in creditors	443	32
Decrease in net amounts due from related parties	86	800
<b>Cash generated from operations</b>	<u>2,050</u>	<u>2,762</u>
Interest paid	(37)	(18)
Interest received	54	7
Income tax paid	(613)	(358)
<b>Net cash flows generated from operating activities</b>	<u>1,454</u>	<u>2,393</u>
<b>Cash flows from investing activities :</b>		
Purchase of fixed assets	(704)	(424)
Increase in website development costs	(419)	(170)
Increase in deferred expenditure	–	(327)
Purchase of other investments	(1,250)	–
Proceeds from disposal of fixed assets	13	–
Acquisition of subsidiary companies, net of cash	–	868
Proceeds from disposal of an interest in a subsidiary company	–#	–
<b>Net cash used in investing activities</b>	<u>(2,360)</u>	<u>(53)</u>
<b>Cash flows from financing activities :</b>		
Capital injection from minority interest	178	145
Repayment to hire purchase creditors	(1)	(104)
Proceeds from issue of shares through the Initial Public Offer by the Company	4,700	–
Expenses in relation to the Initial Public Offer	(1,329)	–
<b>Net cash generated from investing activities</b>	<u>3,548</u>	<u>41</u>
Net increase in cash and cash equivalents	2,642	2,381
Cash and cash equivalents at beginning of year (Note 26)	<u>2,381</u>	<u>–</u>
<b>Cash and cash equivalents at end of year (Note 26)</b>	<u>5,023</u>	<u>2,381</u>

# Amount less than \$1,000

The accounting policies and explanatory notes on pages 35 to 58 form an integral part of the financial statements.

## 1. Corporate information

The financial statements of Asiatravel.com Holdings Ltd for the year ended 30 September 2001 were authorised for issue in accordance with a resolution of the Directors on 25 January 2002. Asiatravel.com Holdings Ltd is a limited liability company which is incorporated in Singapore. On 1 March 2001, the Company was converted into a public company and changed its name from Asiatravel.com Holdings Pte Ltd to Asiatravel.com Holdings Ltd. The Company's shares were listed on the Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ) on 11 April 2001.

The registered office of the Company is located at 1 Kim Seng Promenade, #13-07, Great World City West Tower, Singapore 237994.

Related companies refer to members of the Asiatravel.com Holdings Ltd group of companies. Related parties refer to companies in which certain Directors of the Company are also the shareholders, and companies whose shareholders are related to Directors of the Company.

The principal activity of the Company is that of an investment holding company.

The principal activities of its subsidiary companies are :-

- i) the provision of internet hotel reservation service, website membership and sale of tour packages;
- ii) the provision of tours and transportation packages;
- iii) the provision of business-to-business hotel reservation service;
- iv) the provision of internet hotel reservation software; and
- v) the provision of electronic-commerce, technical and consultancy service.

There have been no significant changes in the nature of these activities during the financial year.

The Group operates in twelve countries and employed 277 (2000: 241) employees as at 30 September 2001.

## 2. Significant accounting policies

### (a) *Basis of preparation*

The financial statements of the Company and of the Group, which are expressed in Singapore dollars, are prepared in accordance with Singapore Statements of Accounting Standard and applicable provisions of the Singapore Companies Act (Chapter 50).

### (b) *Change in accounting policy*

Effective 1 October 2000, the Group adopted SAS 34, Intangible Assets. In compliance with SAS 34, deferred expenditure relating to pre-operating expenses is now written-off in the year when it is incurred instead of being capitalised and written-off to the profit and loss account upon the commencement of operations. As a result of this change, the Group has now written off deferred expenditure of \$61,000 which was previously capitalised to the retained earnings at the beginning of the year.

# | notes to the financial statements |

30 september 2001

## 2. Significant accounting policies (cont'd)

### (c) **Basis of consolidation**

The financial statements of the subsidiary companies are prepared for the same reporting period as the parent company, using consistent accounting policies. Adjustments are made to conform any dissimilar material accounting policies that may exist.

The results of subsidiary companies acquired or disposed of during the financial year are included in or excluded from the respective dates of acquisition or disposal, as applicable. Acquisitions of subsidiary companies are accounted for using the purchase method of accounting.

Assets, liabilities and results of overseas subsidiary companies are translated into Singapore dollar equivalent on the basis outlined in paragraph (s) below.

### (d) **Subsidiary companies**

A subsidiary company is defined as a company in which the Group has more than 50% of the equity or a company in which the Group directly or indirectly controls the composition of the Board of Directors.

Shares in subsidiary companies are stated at cost less provision for any permanent diminution in value.

### (e) **Fixed assets**

Fixed assets are stated at cost less accumulated depreciation. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit and loss account. When assets are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the profit and loss account.

### (f) **Leased assets**

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised under fixed assets as if they had been purchased outright at the values equivalent to the present values of total rental payable during the periods of the lease and the corresponding lease commitments are included under liabilities. Lease payments are treated as consisting of capital and interest elements and the interest is charged to profit and loss account. Depreciation on the relevant assets is charged to profit and loss account on the basis outlined in paragraph (p).

### (g) **Deferred expenditure**

Deferred expenditure which comprise expenses related to the Initial Public Offer is charged to the share premium account upon the admission of the Company on the Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ).

**2. Significant accounting policies (cont'd)**

(h) **Website development costs**

Website development costs are stated at cost less accumulated amortisation. Website development cost incurred in the development of new websites and enhancements of existing websites, including costs incurred in the development and enhancement of contents are capitalised.

Website development costs comprises any directly attributable costs of website development activities which include payroll costs, costs of materials/services consumed, overhead and other related costs. Expenditure for additions and improvements are capitalised and expenditure for maintenance are charged to the profit and loss account.

Amortisation of website development costs is calculated on the straight line method to write off the costs over their estimated useful lives of 3 years.

(i) **Other investments**

Investments held on a long term basis are stated at cost. A provision is made for any diminution in value which is considered to be other than temporary.

(j) **Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost comprises mainly admission tickets to various tourist attractions and is determined on a first-in-first out basis. Net realisable value represents the estimated selling price after making allowance for damage and expiration of these tickets.

(k) **Trade and other debtors**

Trade debtors, which generally have 30 – 90 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

Amounts due from related parties are recognised and carried at cost less an allowance for any uncollectible amounts.

(l) **Trade and other creditors**

Liabilities for trade and other amounts payable which are normally settled on 30-90 day terms, are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services rendered, whether or not billed to the Group.

Amounts due to related parties are carried at cost.

(m) **Impairment and uncollectibility of financial assets**

An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss recognised for the difference between the recoverable amount and the carrying amount.

# notes to the financial statements

30 september 2001

## 2. Significant accounting policies (cont'd)

### (n) **Borrowings**

All the borrowings relate to the acquisition of fixed assets under hire purchase arrangement which are initially recognised at cost, being the fair value of the consideration received and including acquisition charges associated with the borrowing.

### (o) **Provisions**

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

### (p) **Depreciation**

Depreciation is calculated on the straight line method to write off the cost of fixed assets over their estimated useful lives. The estimated useful lives of fixed assets are as follows :-

Computers	–	3 to 5 years
Furniture and fittings	–	3 to 10 years
Office equipment	–	3 to 10 years
Renovation	–	5 years
Motor vehicles	–	5 years

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

### (q) **Revenue recognition**

Revenue from the provision of internet hotel reservation services is recognised once the reservations are fulfilled. Revenue from such services which is collected in advance of the fulfilment, is deferred and reflected as deferred income.

Revenue from membership fees from hotels participating in the website membership scheme is recognised based on the period of membership during the financial year. Revenue from such services which is collected in advance of the services being rendered, is deferred and reflected as deferred income.

Revenue from the sale of tour and transportation packages is recognised as follows :-

- (i) tours – upon the departure of the tour; and
- (ii) transportation packages – upon completion of the transportation services.

Revenue from the provision of electronic-commerce, technical and consultancy services is recognised upon completion and delivery of the service to the customer.

Dividend income is recognised in the profit and loss account of the Company as and when declared by subsidiary companies.

### (r) **Employee benefits**

#### *Defined contribution plan*

As required by law, the Group's companies in Singapore make contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

#### *Equity compensation benefits*

The Company has a share incentive plan for the granting of non-transferable options. There are no charges to the profit and loss account upon the grant or exercise of fixed options.

## 2. Significant accounting policies (cont'd)

### (s) Foreign currency transactions

Foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate at the date of transaction.

At each balance sheet date, foreign currency monetary items are reported using the rate on that date and non-monetary items are carried and reported using the exchange rate at the date of transaction.

Exchange differences arising on the settlement of monetary items or on reporting monetary items at rates different from those at which they were initially recorded during the period or reported in the previous financial statements are recognised as income or expenses in the year in which they arise.

For inclusion in the consolidated financial statements, all assets and liabilities of foreign subsidiary companies are translated into Singapore dollars at the exchange rates ruling at the balance sheet date and the results of foreign subsidiary companies are translated into Singapore dollars at the weighted average exchange rates. Exchange differences due to such currency translations are included in the foreign currency translation reserve.

### (t) Income taxes

Deferred income tax is accounted for under the liability method whereby the tax charge for the year is based on the disclosed book profit after adjusting for all permanent differences. The amount of income tax deferred on account of all timing differences is reflected in the deferred income tax account.

Deferred tax assets are recognised for all deductible timing differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or subsequently enacted at the balance sheet date.

## 3. Fixed assets

Group	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
<b>Cost</b>						
At beginning of the year	358	106	107	30	754	1,355
Additions	244	45	39	24	352	704
Disposals	(34)	–	(2)	–	(14)	(50)
Foreign exchange translation adjustment	(10)	(3)	(1)	–	(2)	(16)
At end of the year	558	148	143	54	1,090	1,993

# notes to the financial statements

30 september 2001

## 3. Fixed assets (cont'd)

Group	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
<b>Accumulated depreciation</b>						
At beginning of the year	86	20	12	3	301	422
Charge for the year	133	30	24	11	199	397
Disposals	(9)	–	–	–	(7)	(16)
Foreign exchange translation adjustment	9	(1)	–	–	(1)	7
At end of the year	219	49	36	14	492	810
Charge for 2000	62	12	7	3	88	172
<b>Net book value</b>						
At end of the year	339	99	107	40	598	1,183
At beginning of the year	272	86	95	27	453	933
<b>Company</b>						
<b>Cost</b>						
At beginning of the year	32	24	10	11	–	77
Additions	9	1	7	–	242	259
Transfer from subsidiary companies	15	17	3	7	–	42
At end of the year	56	42	20	18	242	378
<b>Accumulated depreciation</b>						
At beginning of the year	5	3	1	1	–	10
Charge for the year	12	5	3	3	40	63
At end of the year	17	8	4	4	40	73
Charge for 2000	5	3	1	1	–	10
<b>Net book value</b>						
At end of the year	39	34	16	14	202	305
At beginning of the year	27	21	9	10	–	67

As at 30 September 2001, the net book value of fixed assets of the Group and of the Company under hire purchase agreements amounted to \$506,633 (2000: \$442,899) and \$201,667 (2000: Nil) respectively.

**4. Website development costs**

	<b>Group</b>	
	<b>2001</b>	<b>2000</b>
	\$'000	\$'000
<b>Cost</b>		
Balance at beginning of the year	280	–
Arising from the acquisition of subsidiary companies	–	125
Additions	419	170
Foreign exchange translation adjustment	(10)	(15)
	<hr/>	<hr/>
Balance at end of the year	689	280
	<hr/>	<hr/>
<b>Accumulated amortisation</b>		
Balance at beginning of the year	45	–
Arising from acquisition of subsidiary companies	–	36
Amortisation for the year	123	21
Foreign exchange translation adjustment	(3)	(12)
	<hr/>	<hr/>
Balance at end of the year	165	45
	<hr/>	<hr/>
<b>Net book value</b>		
Balance at end of the year	524	235
	<hr/>	<hr/>
Balance at beginning of the year	235	–
	<hr/>	<hr/>

**5. Deferred expenditure**

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	\$'000	\$'000
Balance at the beginning of the year	327	–
Expenses incurred during the year		
in relation to the Initial Public Offer	1,329	327
Charged to the share premium account	(1,656)	–
	<hr/>	<hr/>
Balance at the end of year	–	327
	<hr/>	<hr/>

# notes to the financial statements

30 september 2001

## 6. Investment in subsidiary companies

	Company	
	2001 \$'000	2000 \$'000
Unquoted equity shares, at cost	1,855	1,855

The details of the subsidiary companies are:

Name of Company	Date and country of incorporation/ place of business	Cost of investment		Percentage of equity held by the Group		Principal activities
		2001 \$'000	2000 \$'000	2001 %	2000 %	
<b>Subsidiary companies held by the Company</b>						
AT Reservation Network Pte Ltd	22 April 1999 Singapore	1,446	1,446	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
S.H. Tours Pte. Ltd.	23 November 1991 Singapore	409	409	100	100	Provision of tours and transportation packages.
		<u>1,855</u>	<u>1,855</u>			

## 6. Investment in subsidiary companies (cont'd)

Name of Company	Date and country of incorporation/ place of business	Percentage of equity held by the Group		Principal activities
		2001 %	2000 %	
<b>Subsidiary companies held by AT Reservation Network Pte Ltd</b>				
AT Network Co. Ltd.**	5 April 1999 Thailand	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT Phil., Inc.*	24 August 1999 Philippines	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Ltd *	7 June 1999 Hong Kong	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
PT Asia Travelindo Nusantara**	5 March 1999 Indonesia	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Pty. Ltd.**	21 January 1999 Australia	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asiatravel.com Inc.	14 September 1999 United States of America	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Middle East Asia Tours LLC**	5 June 2000 United Arab Emirates	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
ATSpanish.com Pte. Ltd.#	18 February 2000 Singapore	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asiatravel Vietnam (S) Pte Ltd	20 January 2001 Singapore	70	—	Provision of internet hotel reservation service and sale of tour packages.

# notes to the financial statements

30 september 2001

## 6. Investment in subsidiary companies (cont'd)

Name of Company	Date and country of incorporation/ place of business	Percentage of equity held by the Group		Principal activities
		2001 %	2000 %	
<b>Subsidiary companies held by AT Reservation Network Pte Ltd (cont'd)</b>				
Global Service Aggregators (S) Pte Ltd (Previously known as AT-Chinese.com Pte. Ltd.)	18 February 2000 Singapore	50	90	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT-Japanese.com Pte. Ltd.	18 February 2000 Singapore	90	90	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT-Chinese (HK) Limited*	2 June 2000 Hong Kong	80	80	Provision of internet hotel reservation service, website membership and sale of tour packages.
Hotelexchange.com Pte. Ltd.	18 February 2000 Singapore	75	75	Provision of business -to-business hotel reservation service.
Hotel-Solution.com Pte. Ltd.	18 February 2000 Singapore	75	75	Provision of internet hotel management solutions with its e-commerce enabled web-based property management system.
<b>Subsidiary company held by AT Network Co., Ltd</b>				
AT e-Commerce Co. Ltd.**	8 February 2000 Thailand	100	100	Provision of electronic-commerce, technical and consultancy service.
<b>Subsidiary company held by PT Asia Travelindo Nusantara</b>				
PT Internet Komersial Bisnis**	15 February 2000 Indonesia	100	100	Provision of electronic-commerce, technical and consultancy service.

## 6. Investment in subsidiary companies (cont'd)

Name of Company	Date and country of incorporation/ place of business	Percentage of equity held by the Group		Principal activities
		2001 %	2000 %	
<b>Subsidiary companies held by AT Phil., Inc.</b>				
AT e-Commerce Inc.*	21 July 2000 Philippines	100	100	Provision of electronic-commerce, technical and consultancy service.
AT Pacific Management Inc.*	6 June 2001 Philippines	68	–	Provision of tour packages.
Islander Exclusive Express Tours, Travel and Transportation, Inc.*	13 March 2001 Philippines	70	–	Provision of tour and transportation packages.

\* Audited by member firms of Ernst & Young International. The accounting year of AT Pacific Management Inc. ends on 31 December and the consolidated financial statements incorporated the management accounts for the 9 months ended 30 September 2001.

\*\* Audited by other firms.

# In the process of being struck-off (Note 33).

## 7. Other investments

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<i>At cost</i>				
Shares - unquoted	376	–	376	–
Moneyplus Notes	1,250	–	1,250	–
	1,626	–	1,626	–

The Group expects to derive intangible benefits through the acquisition of an interest of 12% in the share capital of Star-Travel.com Limited. Intangible benefits to be expected would include the awareness of the Group's business activities via interactive and cable television channels which are managed by the investee. Due to the intangible nature of the benefits attributable to this investment, it is impractical to reliably estimate its fair value. The extent of the possible difference between the carrying amount of the investment and its fair value would be \$376,000 (2000: Nil).

The fair value of the Moneyplus Notes is similar to its carrying value. The Moneyplus Notes bear interest at 2.35% (2000 : Nil) per annum.

# notes to the financial statements

30 september 2001

## 8. Stocks

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<i>At cost</i>				
Admission tickets	34	16	–	–

## 9. Trade debtors

Trade debtors are stated after deducting provision for doubtful debts of :

Balance at beginning of year	75	–	–	–
Arising from acquisition of subsidiary companies	–	75	–	–
Provision for the year	52	–	–	–
Bad debts written off	(20)	–	–	–
Foreign currency translation adjustment	(2)	–	–	–
Balance at end of year	105	75	–	–
Bad debts written directly to profit and loss account	55	7	–	–

## 10. Other debtors

Deposits	410	209	35	35
Prepayments	413	199	5	–
Other receivables	424	67	7	13
Staff advances	25	9	–	–
Loans to Directors	–	222	–	–
Sundry debtors	348	283	–	–
	1,620	989	47	48

Included in other receivables of \$424,000 (2000 : \$67,000) is an amount of \$423,000 (2000 : Nil) which is recoverable from a Director and a vice-president of a subsidiary company. This represents the total amount that was inadvertently paid to them consequent to the completion of the restructuring of the Group for the Initial Public Offer.

The staff advances are interest-free, unsecured and there are no fixed terms of repayment.

**11. Amounts due from/(to) subsidiary companies**

The amounts are non-trade related, unsecured and interest-free.

**12. Amounts due from related parties**

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Non-trade	99	186	–	–
Short-term loan receivable	102	–	102	–
	<u>201</u>	<u>186</u>	<u>102</u>	<u>–</u>

The amounts are unsecured and interest-free.

**13. Other creditors**

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Accruals	1,215	825	210	219
Deferred income	885	802	–	–
Sundry creditors	290	204	8	–
	<u>2,390</u>	<u>1,831</u>	<u>218</u>	<u>219</u>

Deferred income relates to revenue from services which is collected in advance of its fulfilment.

**14. Amounts due to related parties**

The amounts are non-trade related, unsecured and interest-free.

**15. Hire purchase creditors**

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Within one year	232	179	24	–
After one year but not more than five years	137	243	73	–
More than five years	52	–	52	–
	<u>189</u>	<u>243</u>	<u>125</u>	<u>–</u>
	<u>421</u>	<u>422</u>	<u>149</u>	<u>–</u>

**16. Deferred income tax**

The deferred income tax arises as a result of the excess of net book value over tax written down value of fixed assets.

# notes to the financial statements

30 september 2001

## 17. Share capital

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	\$'000	\$'000
<b>Authorised :-</b>		
At beginning of the financial year		
5,000,000 (2000: 100,000) ordinary shares of \$1 each and during the current financial year sub-divided into 500,000,000 shares of \$0.01 each	5,000	100
Increase during the financial year		
100,000,000 ordinary shares of \$0.01 each (2000: 4,900,000 ordinary shares of \$1 each)	1,000	4,900
	<hr/>	<hr/>
At the end of the financial year		
400,000,000 ordinary shares of \$0.015 each (2000: 5,000,000 ordinary shares of \$1 each)	6,000	5,000
	<hr/>	<hr/>
<b>Issued and fully paid up :-</b>		
At beginning of the financial year		
1,755,327 (2000: 2) ordinary shares of \$1 each	1,755	- #
Issued during the year :-		
1,755,325 ordinary shares of \$1 each at par as consideration for the acquisition of certain subsidiary companies	-	1,755
239,363 ordinary shares of \$1 each at par as consideration for the acquisition of an investment pursuant to an investment and equity agreement	240	-
1,450 ordinary shares of \$0.01 each at par to Mr Boh Tuang Poh and/or his nominated beneficiaries for the purpose of rounding off the total number of shares in relation to the restructuring of the Group for the Initial Public Offer	- #	-
23,500,000 ordinary shares of \$0.015 each for cash at \$0.20 per share through Initial Public Offer	352	-
	<hr/>	<hr/>
At the end of the financial year		
156,480,300 ordinary shares of \$0.015 each (2000: 1,755,327 ordinary shares of \$1 each)	2,347	1,755
	<hr/>	<hr/>

# Amount less than \$1,000

# notes to the financial statements

30 september 2001

## 18. Share premium

	<b>Group and Company</b>	
	<b>2001</b>	<b>2000</b>
	\$'000	\$'000
Balance at the beginning of year	–	–
Premium of \$0.57 per share from the issuance of 239,363 ordinary shares of \$1 each	136	–
Premium of \$0.185 per share from the issuance of 23,500,000 ordinary shares of \$0.015 each pursuant to the Initial Public Offer	4,348	–
Expenses in relation to the Initial Public Offer	(1,656)	–
Balance at the end of year	<u>2,828</u>	<u>–</u>

## 19. Retained earnings/(accumulated losses)

	<b>Group</b>		<b>Company</b>	
	<b>2001</b>	<b>2000</b>	<b>2001</b>	<b>2000</b>
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of financial year	1,014	–	(68)	–
Cumulative effect of change in accounting policy [Note 2(b)]	(61)	–	–	–
Balance at the beginning of financial year after cumulative effect of change in accounting policy	953	–	(68)	–
Profit/(loss) for the financial year	1,150	1,014	1,031	(68)
Cumulative effect of change in accounting policy [Note 2(b)]	–	(61)	–	–
Restated profit/(loss) for the financial year after cumulative effect of change in accounting policy	1,150	953	1,031	(68)
Proposed first interim dividend (Note 25)	(500)	–	(500)	–
	<u>1,603</u>	<u>953</u>	<u>463</u>	<u>(68)</u>

# notes to the financial statements

30 september 2001

## 20. Sale of services

	Group	
	2001 \$'000	2000 \$'000
Sale of hotel rooms	14,009	4,942
Sale of tour and transportation packages	10,217	5,480
Commission income	2,391	1,132
Annual website membership fees	172	108
Service fees	25	195
	<u>26,814</u>	<u>11,857</u>

## 21. Other revenues

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Interest income	54	7	22	1
Consultancy fees	–	–	90	–
Realised exchange gain	111	38	1	–
Management fees	12	64	626	241
Gain on disposal of an interest in a subsidiary company	4	–	–	–
Sundry income	64	51	3	6
	<u>245</u>	<u>160</u>	<u>742</u>	<u>248</u>

## 22. Other operating expenses and finance costs

Other operating expenses and finance costs included the following for the financial years ended 30 September :

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<i>Other operating expenses :-</i>				
Auditor's remuneration				
– Auditor of the Group				
– current year	68	41	30	20
– under/(over)provision in respect of prior years	4	–	(5)	–
– Other auditors	39	29	–	–
Directors' remuneration	730	301	250	128
Directors' fees	54	–	54	–
Loss on disposal of fixed assets	21	32	–	–
E.com and credit card charges	399	163	–	–
Internet charges	83	22	11	–
Rental expenses	406	160	47	26
Bad debts written-off directly	55	7	–	–
Pre-operating expenses written-off	54	64	–	–
Provision for doubtful trade debts	52	–	–	–
Realised exchange loss	129	47	5	–
<i>Finance costs :-</i>				
Hire purchase interest	37	18	4	–
	<u>37</u>	<u>18</u>	<u>4</u>	<u>–</u>

## 23. Income tax

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current year income tax based on profit for the financial year				
– Singapore	423	287	321	–
– Overseas	310	247	–	–
Underprovision of current income tax in respect of prior years	4	–	–	–
	737	534	321	–

The income tax charges for the Group for the current and previous financial year are higher than the amounts determined by applying the Singapore income tax rate of 24.5% (2000: 25.5%) to the profit before income tax due mainly to the non-deductible expenses of certain subsidiary companies, the differences in the income tax rates applicable to overseas subsidiary companies, and losses incurred by certain subsidiary companies which cannot be set-off against the profits made by the other subsidiary companies.

As at 30 September 2001, certain subsidiary companies have estimated unutilised tax losses of approximately \$221,000 (2000: Nil) available for offset against future taxable profits which are subject to Section 37 of the Income Tax Act and agreement by the Comptroller of Income Tax.

For the current financial year, the income tax charged for the Company materially differs from the amount determined by applying the Singapore income tax rate of 24.5% (2000: 25.5%) to the profit before income tax due to rebates and partial tax exemptions given on taxable income with effect from the Year of Assessment 2002, as announced in the 2001 Budget. The Company was in a tax loss position in the previous financial year.

## 24. Earnings per share

Basic earnings per share is calculated by dividing the net profit for the year attributable to ordinary shareholders of by the weighted average number of ordinary shares in issue during the year.

Fully diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year (adjusted for the effects of dilutive options).

	Group	
	2001 \$'000	2000 \$'000
Net profit attributable to ordinary shareholders for basic and dilutive earnings per share	1,150	953
Weighted average number of ordinary shares on issue applicable to basic earnings per share	136,436	1,229
Effect of dilutive securities Share options	2,058	–
Adjusted weighted average number of ordinary shares applicable to fully diluted earnings per share	138,494	1,229

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

# notes to the financial statements

30 september 2001

## 25. Proposed Dividend

	Group and Company	
	2001 \$'000	2000 \$'000
Proposed first interim 28.2% (2000: Nil) less income tax of 24.5% (2000: 25.5%)	500	–

## 26. Cash and cash equivalents

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following :

	Group	
	2001 \$'000	2000 \$'000
Fixed deposits	1,125	–
Cash and bank balances	3,898	2,381
	<u>5,023</u>	<u>2,381</u>

## 27. Operating lease commitments

The Group leases certain properties under lease agreements that are non-cancellable within a year. The leases expire on various dates till April 2003 and contain provisions for rental adjustments. Rental expense was \$15,217 and Nil for the financial years ended 30 September 2001 and 2000, respectively.

Future minimum lease payments for all leases with initial or remaining terms of one year or more are as follows :-

	Group	
	2001 \$'000	2000 \$'000
Within one year	117	17
After one year but not more than five years	102	–
More than five years	<u>219</u>	<u>17</u>

## 28. Directors' remuneration

In compliance with the requirements of the Singapore Exchange Securities Trading Limited, the number of Directors whose remuneration fall within the following bands were as follow :

	Group		Company	
	Number of Directors		Number of Directors	
	2001	2000	2001	2000
\$500,000 and above	–	–	–	–
\$250,000 to \$499,999	–	–	–	–
Below \$250,000	13	13	3	3
	<u>13</u>	<u>13</u>	<u>3</u>	<u>3</u>

## 29. Salaries and employee benefits

Salaries and employee benefits included the following for the financial years ended 30 September :

	Group		Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Defined contributions (CPF)	363	214	19	5

The Company has an employee share incentive plan for the granting of non-transferable options to full time employees, including all executive and non-executive Directors. Options are granted for terms of 10 years to purchase Asiatravel.com ordinary shares at prices not exceeding a 20% discount on the market value of the shares based on the average of the last dealt price of the share for the five market days prior to the date of grant, as quoted and shown on the daily financial news published by the SGX-ST, or its nominal value, whichever is higher.

The number of shares to be offered to an eligible person under the scheme shall be determined at the discretion of the Remuneration Committee who shall take into account criteria such as rank and performance, years of service and potential for future development of the eligible person. The Remuneration Committee also has the sole and absolute discretion to determine the exact discount to each participant, as mentioned above.

During the year, the following options were granted under the Scheme :

Date of Grant	Option Period	Shares subject to options	Exercise Price per share \$
16 July 2001	17 July 2002 - 16 July 2011	6,172,500	0.20
16 July 2001	17 July 2003 - 16 July 2011	6,172,500	0.16

During the financial year, Directors granted options under the Scheme were as follows :

Participant	Options granted	Aggregate Options granted since commencement of the Scheme	Aggregate Options exercised since commencement of the Scheme	Aggregate Options outstanding
Ang Eu Khoon	360,000	360,000	–	360,000
Joanna Yeo	400,000	400,000	–	400,000
Lim Chuan Poh	400,000	400,000	–	400,000
Khoo Ho Tong	400,000	400,000	–	400,000

# notes to the financial statements

30 september 2001

## 30. Segment information

The following tables present revenue and profit information regarding business segments and certain asset and liability information regarding industry segments as at 30 September 2001 and 2000 :

### Business segments

	Tour & transportation packages		Internet hotel reservation service		Corporate		Others		Eliminations		Group	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue												
Sales to external customers	10,208	5,474	16,606	6,383	—	—	—	—	—	—	26,814	11,857
Intersegment sales	9	6	344	507	2,442	241	—	—	(2,795)	(754)	—	—
Unallocated revenue	—	—	—	—	—	—	245	160	—	—	245	160
Total revenue	707	687	1,893	1,205	1,351	(48)	(83)	(201)	(2,106)	(186)	1,762	1,457
Finance costs											(37)	(18)
Profit before income tax											1,725	1,439
Income tax											(737)	(534)
Minority interests, net of income tax											988	905
Net profit for the year											1,150	953

30. Segment information (cont'd)

Business segments

	Tour & transportation packages		Internet hotel reservation service		Corporate		Others		Eliminations		Group	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	2,358	2,442	8,880	5,808	7,131	2,658	—	—	(6,900)	(5,047)	11,469	5,861
Unallocated assets											123	579
<b>Total assets</b>											<b>11,592</b>	<b>6,440</b>
Segment liabilities	1,437	1,524	4,456	2,689	1,493	972	—	—	(2,716)	(1,711)	4,670	3,474
Unallocated liabilities											175	204
<b>Total liabilities</b>											<b>4,845</b>	<b>3,678</b>
Other segment information :												
Capital expenditure	56	68	424	274	378	77	352	288	(87)	(113)	1,123	594
Depreciation	183	105	126	48	63	10	36	11	(11)	(2)	397	172
Amortisation	—	—	125	21	—	—	1	—	(3)	—	123	21
Other non-cash expenses	10	—	91	71	8	—	—	—	—	—	109	71

Others include provision of electronic-commerce, technical and consultancy services.

# notes to the financial statements

30 september 2001

## 30. Segment information (cont'd)

### Geographical segments

	Singapore		Thailand		The Philippines		Middle East		Others		Eliminations		Group	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	13,438	6,825	2,444	1,425	4,194	2,237	2,382	153	4,356	1,217	—	—	26,814	11,857
Sales to external customers	2,547	437	11	—	9	1	—	—	333	316	(2,900)	(754)	—	—
Intersegment sales	87	43	116	29	26	49	4	—	12	39	—	—	245	160
Unallocated revenue														
Total revenue													27,059	12,017
Other geographical information:														
Segment assets	13,943	8,224	1,127	965	888	920	531	214	2,003	1,164	(6,900)	(5,047)	11,592	6,440
Segment liabilities	5,002	3,731	736	568	373	515	208	161	1,242	414	(2,716)	(1,711)	4,845	3,678

**31. Financial risk management objectives and policies**

According to SAS 32 Financial Instruments : Disclosure and Presentation, the main risks arising from the Group's financial instruments are foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these and other risks and they are summarised below :

(1) *Foreign currency risk*

Due to the nature of the Group's business, the Group engages in foreign currency denominated transactions. As a result, the Group is exposed to movements in foreign currency exchange rates. In addition to this, the Group is also exposed to foreign exchange movements on its investment in foreign subsidiary companies.

The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions and investments, and other financial assets and liabilities created in the ordinary course of business.

(2) *Credit risk*

Concentrations of credit risk exist when changes in the economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. As the majority of the Group's debtors are from the tourism sector, this may give rise to a concentration of credit risk. It is the Group's policy to enter into transactions with a diversity of credit-worthy counterparties so as to mitigate any significant concentration of credit risk. The Group has also placed its surplus funds in a number of different banks, to further mitigate potential concentrations of credit risk in relation to its bank balances.

The carrying amounts of the Group's investments, trade and other debtors and bank balances represent the Group's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

(3) *Interest rate risk*

The Group obtains additional financing through hire purchase arrangements. The Group's policy is to obtain the most favourable interest rates available. Surplus funds are placed with banks. Information relating to the Group's interest rate exposure is also disclosed in the note on hire purchase creditors.

(4) *Liquidity risk*

The Group is not exposed to liquidity risk as it does not require any external funding in the foreseeable future.

# notes to the financial statements

30 september 2001

## 32. Related party transactions

The Company had the following significant related party transactions during the financial year and the effect of these transactions on the basis determined between the parties are reflected in the financial statements :-

	Group		Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<i>Subsidiary companies</i>				
Management fees	–	–	(626)	(241)
Accountancy fees	–	–	(4)	–
Marketing advisory fees	–	–	(90)	–
<i>Related companies</i>				
Sale of transportation packages	(2)	(15)	–	–
<i>Related parties</i>				
Lease of motor vehicles	2,361	2,231	–	–
Office rental	49	28	–	–
	<hr/>	<hr/>	<hr/>	<hr/>

## 33. Subsequent events

On 25 July 2001, a subsidiary company, AT Reservation Network Pte Ltd, made an application to the Registrar of Companies and Business to have its subsidiary company, ATSpanish.com Pte. Ltd., struck off its register under Section 344 of the Singapore Companies Act. On 16 November 2001, the Registrar of Companies and Business has issued a notice in the Government Gazette that at the expiration of the next three months, ATSpanish.com Pte. Ltd. will be struck off the register and dissolved.

## 34. Comparative figures

The presentation and classification of items in the financial statements have been changed due to the adoption of the requirements of SAS 1 (Revised 1999) "Presentation of financial statements", SAS 15 (Revised 1999) "Leases" and SAS 23 "Segment Reporting". As a result additional line items have been included on the face of the profit and loss accounts and statements of changes in equity have been presented as required by SAS 1 (Revised 1999). Finance lease obligations have been analysed to disclose reconciliation of the total minimum lease payments at the balance sheet date, and their present value, for periods not later than one year, later than one year and not later than five years, and later than five years as required by SAS 15(Revised 1999). Segment information has also been analysed to include additional information on segment liabilities, cash flows from operating, investing and financing activities, and capital expenditure. Certain comparative figures have been reclassified to conform with current year's presentation.

The Company is incorporated on 1 December 1999. The comparative figures relate to the financial year from 1 December 1999 to 30 September 2000.

# statistics of shareholdings

as at 3 january 2002

## DISTRIBUTION OF SHAREHOLDINGS

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 – 1,000	183	30.86	183,000	0.12
1,001 – 10,000	195	32.88	1,070,000	0.68
10,001 – 1,000,000	197	33.22	19,606,000	12.53
1,000,001 and above	18	3.04	135,621,300	86.67
Total	593	100.00	156,480,300	100.00

## TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	Boh Tuang Poh	21,992,800	14.05
2	Startv ATC Holdings Limited	15,957,600	10.20
3	SBS Nominees Pte Ltd	15,000,000	9.59
4	San's Rent-A-Car Pte Ltd	14,052,000	8.98
5	Yeo Wee Khim Cecilia	11,529,800	7.37
6	Yeo Wee Hiong Simon	9,879,700	6.31
7	Essex Investment (S) Pte Ltd	8,929,500	5.71
8	Ng Lay Hoon Pauline	6,451,200	4.12
9	Tsui Lam Sum	5,585,300	3.57
10	Yeo Joanna	5,544,400	3.54
11	UOB Kay Hian Pte Ltd	5,035,000	3.22
12	Ang Eu Khoon	3,432,400	2.19
13	Ang Hock Hai	3,242,800	2.07
14	Tan Hood Ann	2,333,400	1.49
15	Yeo Swee Noy	2,161,900	1.38
16	Yeo Wee Tiang Magdalene	1,921,700	1.23
17	Hartono Liman	1,471,800	0.94
18	ABN Amro Nominees Singapore Pte Ltd	1,100,000	0.70
19	Citibank Nominees Singapore Pte Ltd	982,000	0.63
20	Yang Yong Soon	851,000	0.54
Total		137,454,300	87.83

# | notice of annual general meeting |

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of **ASIATRavel.COM HOLDINGS LTD** ("the Company") will be held at The Elizabeth Hotel, 24 Mount Elizabeth, Windsor I & II, Singapore 228518, on Wednesday, 20 February 2002 at 10.00 a.m. for the following purposes:

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Accounts of the Company for the year ended 30 September 2001 together with the Auditors' Report thereon. **(Resolution 1)**
2. To approve payment of an interim dividend of 0.423 cents per ordinary share / 28.2% less income tax 24.5% amounting to S\$500,000 for the year ended 30 September 2001 (previous year: S\$Nil). **(Resolution 2)**
3. To re-elect the following Directors retiring pursuant to Article 104 of the Company's Articles of Association: -  

Mr Boh Tuang Poh	(Retiring under Article 104)	<b>(Resolution 3)</b>
Mr Ang Eu Khoon	(Retiring under Article 104)	<b>(Resolution 4)</b>
4. To approve the payment of Directors' fees of S\$54,000 for the year ended 30 September 2001 (previous year: S\$Nil) **(Resolution 5)**
5. To re-appoint Messrs Ernst & Young as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

### 7. Authority to allot and issue shares up to fifty per centum (50%) of issued capital

"That pursuant to Section 161 of the Companies Act, Cap. 50 and Clause 941(3)(b) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Directors be empowered to allot and issue shares in the capital of the Company at any time and upon such terms and conditions and for such purposes as the Directors may, in their absolute discretion, deem fit provided that the aggregate number of shares to be allotted and issued pursuant to this Resolution shall not exceed fifty per centum (50%) of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to all shareholders of the Company shall not exceed twenty per centum (20%) of the existing issued share capital of the Company and that such authority shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the Company's next Annual General Meeting." [See Explanatory Note (i)]

**(Resolution 7)**

### 8. Authority to allot and issue shares under The Asiatravel.com Share Option Scheme

"That pursuant to Section 161 of the Companies Act, Cap. 50, the Directors be empowered to allot and issue shares in the capital of the Company to the holders of options granted by the Company under The Asiatravel.com Share Option Scheme ("the Scheme") established by the Company upon the exercise of such options and in accordance with the terms and conditions of the Scheme provided always that the aggregate number of additional ordinary shares to be allotted and issued pursuant to the Scheme shall not exceed twenty-five per centum (25%) of the issued share capital of the Company for the time being." [See Explanatory Note (ii)]

**(Resolution 8)**

# | notice of annual general meeting |

## 9. Renewal of Shareholders' Mandate for Related Party Transactions

That for the purposes of Chapter 9A of the Listing Manual of the Singapore Exchange Securities Trading Limited: -

- (a) Approval be given for the renewal of the mandate for the Company, its subsidiaries and target associated companies or any of them to enter into any of the transactions falling within the types of Related Party Transactions as set out on pages 86 to 90 of the Company's Prospectus dated 2 April 2001 ("Prospectus") with any party who is of the class of Related Parties described in the Prospectus, provided that such transactions are carried out in the normal course of business, at arm's length and on commercial terms and in accordance with the guidelines of the Company for Related Party Transactions as set out in the Company's Prospectus (the "Shareholders' Mandate")
- (b) the Shareholders' Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting; and
- (c) Authority be given to the Directors to complete and do all such acts and things (including executing all such documents as may be required) as they may consider necessary, desirable or expedient to give effect to the Shareholders' Mandate as they may think fit. [See Explanatory Note (iii)]

**(Resolution 9)**

## NOTICE OF BOOKS CLOSURE

NOTICE IS ALSO HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 1 March 2002, for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Registrar, Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315, not later than 5.00 p.m. on 28 February 2002 will be registered to determine shareholders' entitlements to the proposed dividend. Members whose securities accounts with The Central Depository (Pte) Limited ("CDP") are credited with shares at 5.00 p.m. on 28 February 2002 will be entitled to the proposed dividend.

Payment of the dividend, if approved by the shareholders at the Annual General Meeting, will be made on 20 March 2002.

## NOTES TO SPECIAL BUSINESS:

- (i) The Ordinary Resolution [7] proposed in item [7] above, if passed, will empower the Directors from the date of the above Meeting until the date of the next Annual General Meeting, to allot and issue shares in the Company. The number of shares which the Directors may allot and issue under this Resolution would not exceed fifty per centum (50%) of the issued share capital of the Company for the time being. For issue of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued shall not exceed twenty per centum (20%) of the existing issued share capital of the Company.
- (ii) The Ordinary Resolution [8] proposed in item [8] above, if passed, will empower the Directors of the Company, from the date of the above Meeting until the next Annual General Meeting, to allot and issue shares in the Company of up to a number not exceeding in total twenty-five per centum (25%) of the issued share capital of the Company for the time being pursuant to the exercise of the options under the Scheme.
- (iii) The Ordinary Resolution [9] proposed in item [9] above, if passed, will authorise the Interested Person Transactions as described in the Prospectus and recurring in the year and will empower the Directors to do all acts necessary to give effect to the Shareholders' Mandate. This authority will, unless previously revoked or varied by the Company at a general meeting, expire at the conclusion of the next Annual General Meeting of the Company.

# | notice of annual general meeting |

**Notes:**

1. A Member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote instead of him/her/it. A proxy need not be a Member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 1 Kim Seng Promenade, #13-07, Great World City, West Tower, Singapore 237994, not less than 48 hours before the time for holding the Meeting.

By Order of the Board

Joanna Yeo  
Company Secretary  
Singapore, 28 January 2002

# ASIATRavel.COM HOLDINGS LTD

(Incorporated In The Republic Of Singapore with limited liability)

## PROXY FORM

(Please see notes overleaf before completing this Form)

I/We, \_\_\_\_\_

of \_\_\_\_\_

being a member/members of ASIATRavel.COM HOLDINGS LIMITED (the "Company"), hereby appoint \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

\_\_\_\_\_ or, failing him/her, \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 20 February 2002 at 10.00 a.m. and at any adjournment thereof. The proxy is to vote on the business before the meeting as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the Meeting:

No.	Resolutions relating to:	For	Against
1	Directors' Report and Accounts for the year ended 30 September 2001		
2	Payment of interim dividend		
3	Re-election of Mr Boh Tuang Poh as a Director		
4	Re-election of Mr Ang Eu Khoon as a Director		
5	Approval of Directors' fees amounting to S\$54,000		
6	Re-appointment of Ernst & Young as Auditors		
7	Authority to allot and issue new shares		
8	Authority to allot and issue shares under the The Asiatravel.com Share Option Scheme		
9	Renewal of Shareholders' Mandate for Related Party Transactions		

(Please indicate with a cross [X] in the space provided whether you wish your vote to be cast for or against the Resolutions as set out in the Notice of the Meeting.)

Dated this \_\_\_\_\_ day of \_\_\_\_\_

\_\_\_\_\_  
*Signature of Shareholder(s)*  
or, *Common Seal of Corporate Shareholder*

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\*Delete where inapplicable

**Notes :**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him/her. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 1 Kim Seng Promenade, #13-07, Great World City, West Tower, Singapore 237994, not less than 48 hours before the time appointed for the Annual General Meeting.

Affix  
stamp  
here

The Company Secretary  
**Asiatravel.com Holdings Ltd**  
1 Kim Seng Promenade  
Great World City West Tower #13-07  
Singapore 237994

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of its attorney duly authorised.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.