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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 2002.

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	
Khoo Ho Tong	
Gary Alan Walrath	(Appointed on 1 April 2002)
Toby Charles Hayward	(Appointed on 1 January 2003, Alternate Director to Gary Alan Walrath)
Ong Nai Pew	(Appointed on 1 January 2003)

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.

Following the disposal of Hotelexchange.com Pte. Ltd. during the year, the Group ceased to provide business-to-business hotel reservation services.

There were no other significant changes in the nature of these activities during the financial year.

Results for the financial year

	Group	Company
	\$'000	\$'000
Retained earnings at the beginning of year	1,603	463
Net profit for the financial year	1,536	886
Interim dividends	(779)	(779)
	<hr/>	<hr/>
Retained earnings at the end of year	2,360	570
	=====	=====

Material movements in reserves and provisions

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

	Group \$'000	Company \$'000
<i>Retained earnings</i>		
Net profit for the financial year	1,536	886
Interim dividends	(779)	(779)
<i>Foreign currency translation reserve</i>		
Adjustment arising on consolidation	11	-
<i>Share premium account</i>		
Premium of \$0.185 per share on the issue of 907,000 ordinary shares of \$0.015 each	168	168
	=====	=====

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 current and deferred income tax as shown in the financial statements.

Acquisition and disposal of subsidiary companies

Disposals :

During the year, AT Reservation Network Pte Ltd, a subsidiary company of the Company, disposed part of its interest in a subsidiary company as follows :

Name of subsidiary	Interest disposed of %	Interest after disposal %	Consideration \$	Attributable net tangible assets at disposal \$
Hotelexchange.com Pte. Ltd.	55.11	19.9	61,723	36,781

This company contributed a net loss of \$162,844 to the consolidated results of the Group for the period up to its date of disposal [2001 (net loss): \$390,264].

Dissolution/deregistration :

Following an application by AT Reservation Network Pte Ltd to the Registry of Companies and Businesses in the previous financial year, its subsidiary company, ATSpanish.com Pte. Ltd., was struck off the register and dissolved during the financial year.

On 12 August 2002, AT e-Commerce, Inc., a wholly-owned subsidiary company of AT Phil., Inc., a wholly-owned subsidiary company of AT Reservation Network Pte Ltd, was de-registered in the Philippines, following the issuance of the Certificate of Shortening of Corporation Existence by the Company Registration and Monitoring Department.

The dissolution and de-registration have no significant financial impact on the financial statements of the current financial year and the Directors do not expect these to have a significant impact on the financial results of the forth-coming year.

There was no acquisition or other disposal of subsidiary companies during the financial year.

Share capital and debentures

During the financial year :

- (1) the Company issued 907,000 ordinary shares of \$0.015 each at a premium of \$0.185 per share pursuant to the exercise of share options by certain full-time employees and Directors of the Company; and
- (2) AT-Chinese (HK) Limited, a subsidiary company of AT Reservation Network Pte Ltd, issued 95,238 ordinary shares of HK\$1 each at par for cash by virtue of the exercise of share options by a full-time employee of that company. This reduced the Company's effective interest in AT-Chinese (HK) Limited from 80% in the previous year to 73.04%. The Group incurred a gain on this dilution as a result of the issuance of shares by AT-Chinese (HK) Limited.

During the financial year, AT Reservation Network Pte Ltd, a wholly-owned subsidiary company of the Company, subscribed for additional new shares in its subsidiary companies and maintained its interest as follows :

Name of Company	Equity interest %	Additional shares of \$1 each	Consideration \$
Hotelexchange.com Pte. Ltd *	75.01	150,020	150,020
Asiatravel Vietnam (S) Pte Ltd	70.00	17,500	17,500
Global Service Aggregators (S) Pte Ltd	50.00	10,000	10,000

** Disposed of after the subscription of the additional shares of 150,020 of \$1 each.*

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

Except as described in the paragraph below, 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

The following Directors who held office at the end of the 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 and related corporations as stated below :-

Name of Directors	Held in the name of Directors		Deemed interest	
	At beginning of the financial year	At end of the financial year	At beginning of the financial year	At end of the financial year
The Company				
<i>Asiatravel.com Holdings Ltd</i>				
<i>(Ordinary shares of \$0.015 each)</i>				
Patrick Ngiam Mia Je	–	–	8,929,500	8,929,500
Boh Tuang Poh	21,992,800	16,992,800	10,000,000	15,200,000
Ang Eu Khoon	3,432,400	3,432,400	–	–
Joanna Yeo	5,544,400	–	200,000	3,251,400
Khoo Ho Tong	125,000	325,000	–	–
<i>Option for shares of \$0.015 each</i>				
Boh Tuang Poh	–	400,000	–	–
Ang Eu Khoon	360,000	400,000	–	–
Joanna Yeo	400,000	200,000	–	–
Lim Chuan Poh	400,000	400,000	–	–
Khoo Ho Tong	400,000	200,000	–	–

There was no change in any of the above mentioned interests between the end of the financial year and 21 October 2002.

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 by virtue of his interest in more than 20% of the issued share capital of the Company.

Dividends

During the financial year, a first interim dividend of 0.423 cents per ordinary share less income tax of 24.5%, amounting to \$500,000 was paid in respect of the previous financial year as disclosed in the previous Directors' Report.

A first interim dividend of 0.254 cents per ordinary share less income tax of 22%, amounting to \$311,239 was declared and paid during the financial year in respect of the current financial year.

A second interim dividend of 0.383 cents per ordinary share less income tax of 22%, amounting to \$468,000 was declared to be paid for the current financial year.

No final dividend is proposed to be paid 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 in the Group 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, 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

Except as disclosed in the financial statements, 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

The Company

Asiatravel.com Share Option Scheme ("The Scheme")

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

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)

As at the end of the financial year, options granted pursuant to the Scheme in respect of unissued ordinary shares of \$0.015 each of the Company to the following classes of executives are as follows :-

Class of Executives	Shares subject to Options	
	2002	2001
Executive Directors	1,000,000	760,000
Non-Executive Directors	600,000	800,000
Other Executives	7,415,000	10,785,000
	9,015,000	12,345,000
	9,015,000	12,345,000

Options granted under the Scheme to full-time executive employees and Directors of the Group are subject to an option period of ten years, such period commencing from the date of grant and expiring on the day immediately preceding the tenth anniversary of the date of grant. The options are exercisable on the first anniversary of the date of grant. At the end of the financial year, there were 9,015,000 unissued ordinary shares of \$0.015 each of the Company under options as follows :-

Date of grant	Balance at beginning of the year	Additions	Option exercised during the year	Option cancelled during the year	Balance at end of the year	Sub- scription price	Expiry date
16 July 2001	6,172,500	-	(907,000)	(1,199,000)	4,066,500	\$0.20	16 July 2011
16 July 2001	6,172,500	-	-	(1,664,000)	4,508,500	\$0.16	16 July 2011
16 May 2002	-	220,000	-	-	220,000	\$0.26	15 May 2012
16 May 2002	-	220,000	-	-	220,000	\$0.21	15 May 2012
	12,345,000	440,000	(907,000)	(2,863,000)	9,015,000		
	12,345,000	440,000	(907,000)	(2,863,000)	9,015,000		

Share options cancelled are due to the resignation of the participating employees during the year.

Options (cont'd)

During the financial year, Directors granted Options who received 5% or more of the total number of Options available under the Scheme were as follows :-

Name of participant	Options granted during financial year under review	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
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Directors of the Company :

Executive directors

Boh Tuang Poh	400,000	400,000	–	400,000
Ang Eu Khoon	40,000	400,000	–	400,000
Joanna Yeo	–	400,000	200,000	200,000

Non-executive directors

Lim Chuan Poh	–	400,000	–	400,000
Khoo Ho Tong	–	400,000	200,000	200,000

No participant other than those disclosed above received 5% or more of the total number of options available under the Scheme.

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.
- (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.

Subsidiary company*AT-Chinese (HK) Limited Share Option Scheme*

Pursuant to the service agreements with the Managing Director and Executive Director of AT-Chinese (HK) Limited respectively, and as disclosed in the prospectus dated 2 April 2001, these directors are granted an option over new ordinary shares of HK\$1 each in AT-Chinese (HK) Limited for their services. They each have a right to exercise an option over 5,291 shares in AT-Chinese (HK) Limited for every month of their service in the company, subject to a maximum period of 18 months commencing from 1 July 2000 at an exercise price of HK\$1 per share. The options may be exercised no later than 31 December 2002. At the end of the financial year, there were 95,238 unissued ordinary shares of HK\$1 each of the company under options as follows :-

Balance as at beginning of year	Addition	Exercised during the year	Balance as at end of year	Subscription price	Expiry date
158,730	31,746	(95,238)	95,238	HK\$1	31 December 2002

Options (cont'd)

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

Directors of the subsidiary company	Options granted during financial year under review	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
Liu Soon Leong	15,873	95,238	(95,238)	–
Tan Hood Ann	15,873	95,238	–	95,238

Except for shares available for issue under the schemes as disclosed above,

- (i) during the financial year, there were :
 - (a) no other options granted by the Company or its subsidiary companies to any person to take up unissued shares in the Company or its subsidiary companies ;
 - (b) no shares issued by virtue of any exercise of options to take up unissued shares in the Company or its subsidiary companies; and
- (ii) as at the end of the financial year, there were no other unissued shares in the Company or its subsidiary companies under option.

Audit Committee

The Audit Committee comprises five board members, four of whom are independent, non-executive Directors. The members of the Audit Committee during the financial year and at the date of this report are:

Khoo Ho Tong	(Chairman)
Lim Chuan Poh	
Gary Alan Walrath	(Appointed on 1 April 2002)
Toby Charles Hayward	(Alternate Director to Gary Alan Walrath; Appointed on 1 January 2003)
Ong Nai Pew	(Appointed on 1 January 2003)
Fong Chin Chong	(Alternate Director to Gary Alan Walrath; Appointed on 1 April 2002; Resigned on 1 January 2003)
Joanna Yeo	

The Audit Committee held 3 meetings since the last Directors' Report and performed the functions specified in the Singapore Companies Act. The Audit Committee may examine whatever aspects it deems appropriate of the Group's financial affairs, its internal and external audits and its exposure to risks of a regulatory or legal nature. It keeps under review the effectiveness of the Company and the Group'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 performing its functions, the Committee reviewed the overall scope of both internal and external audits and the assistance given by the Company's officers to the auditors. The Committee met with the internal and external auditors to discuss the results of their respective examinations and their evaluation of the Company and the Group's system of accounting internal control. The Committee also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year ended 30 September 2002 as well as the external auditors' report thereon.

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

The Committee recommends to the Board of Directors the nomination of Ernst & Young as external auditors at the forthcoming annual general meeting of the Company.

Subsequent events

Strike-off of ATJapanese.com Pte. Ltd.

On 25 April 2002, AT Reservation Network Pte Ltd made an application to the Registry of Companies and Businesses to have its subsidiary company, ATJapanese.com Pte. Ltd., struck off its register pursuant to Section 344 of the Singapore Companies Act. On 14 November 2002, the Registry of Companies and Businesses issued a notice in the Government Gazette that at the expiration of the next three months, ATJapanese.com Pte. Ltd. would be struck off the register and dissolved.

Liquidation of PT Internet Komersial Bisnis

PT Internet Komersial Bisnis, a wholly-owned subsidiary of AT Reservation Network Pte Ltd, was placed under voluntary liquidation subsequent to year end. The shareholders discontinued the company's commercial operating activities by issuing a Notarial Deed dated 2 October 2002.

Dissolution of AT Pacific Management Inc.

This subsidiary company in the Group discontinued its commercial operations after 31 July 2002. The Affidavit of Publication of Dissolution and the Certificate of Shortening of Corporation Existence have been obtained from the Company Registration and Monitoring Department on 12 December 2002.

Share buy-back

At an Extraordinary General Meeting (EGM) held on 16 April 2002, a shareholders' mandate was granted to the Directors to repurchase its own shares from time to time of up to 10% of the issued ordinary share capital of the Group. Under the approved scheme, the maximum number of shares that can be repurchased by the Group is 15,648,030, being 10% of the issued share capital as at the date of the EGM and the Annual General Meeting held. Pursuant to this shareholders' mandate, the Company repurchased 100,000 (2001: Nil) ordinary shares of \$0.015 each on 8 October 2002 at an average price of \$0.23 per share, amounting to a total cost, including brokerage, of \$22,596. The financial effects of the shares repurchased are as follows :

- (1) Reduction in issued share capital of \$1,500 and a transfer to capital redemption reserve of an equivalent amount;
- (2) Reduction of revenue reserve of \$22,596 being the amount paid to buy back the 100,000 ordinary shares at an average price of \$0.23 per share (including brokerage of \$56); and
- (3) Payment of \$6,373 in respect of income tax paid in advance.

Increased investment in unquoted shares

Subsequent to year-end, the Company signed a memorandum of understanding with STARTV.COM Holdings Limited to increase the interest of the Company in its subsidiary company, from 12% to 19.99%. This will be effected by way of a share swap, whereby the Company shall issue to STARTV.COM Holdings Limited shares equivalent to US\$1 million in value* in exchange for the additional 7.99% equity interest.

* Based on the average closing market price of the Company's shares for the 90 trading days ended 2 December 2002

Allotment of shares by a subsidiary company

On 31 December 2002, Mr. Tan Hood Ann, an Executive Director of AT-Chinese (HK) Limited, a subsidiary company in the Group, exercised his share options in relation to the company's share option scheme, amounting to 95,238 shares of HK\$1 each at par for cash. This reduced the Group's effective interest in AT-Chinese (HK) Limited from 73.04% as at 30 September 2002 to 67.20% as at the date of this report. At the date of this report, there are no options outstanding granted to Directors under the Scheme.

The Directors are of the opinion that the issuance of shares by this subsidiary company has no significant financial impact on the Group's results of the forth-coming financial year.

Auditors

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

On behalf of the Board :

Boh Tuang Poh
Director

Ang Eu Khoon
Director

Singapore
16 January 2003

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 2002, 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 16 January 2003.

On behalf of the Board :

Boh Tuang Poh
Director

Ang Eu Khoon
Director

Singapore
16 January 2003

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.

In this Report, we describe the Company's Corporate Governance processes and activities with specific reference to the Code of Corporate Governance.

Board of Directors

The Board comprises eight 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)
Ong Nai Pew	(Independent Director, appointed on 1 January 2003)
Gary Alan Walrath	(Non-Executive Director, appointed on 1 April 2002)
Toby Charles Hayward	(Alternate Director to Gary Alan Walrath, appointed on 1 January 2003)

The Board oversees :

- the business affairs of the Group
- approves the financial objectives and the business strategies
- monitors standards of performance and other significant corporate matters.
- 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.

The Board holds at least two meetings each year. Ad-hoc meetings are convened when circumstances required. The attendance of the directors at meetings of the Board and Board Committees, as well as the frequency of such meetings, is disclosed in this Report.

The Company has a separate Chairman and Chief Executive.

Audit Committee

The Audit Committee comprises five Board members, four of whom are non-executive Directors :

Khoo Ho Tong	(Chairman)
Lim Chuan Poh	
Gary Alan Walrath	
Toby Charles Hayward	(Alternate director to Gary Alan Walrath)
Ong Nai Pew	
Joanna Yeo	

Audit Committee (cont'd)

The Audit Committee will hold at least two meetings each year to :

- (1) review with external auditors :-
 - (a) the audit plan, including the nature and scope if the audit before the audit commences;
 - (b) their evaluation of the system of internal accounting records;
 - (c) their audit report; and
 - (d) their management letter and management's response;
- (2) 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;
- (3) 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;
- (4) review the assistance given by management to the auditor;
- (5) review the internal audit programme and ensure co-ordination between the internal and external auditors and management;
- (6) review the scope and results of the internal audit procedures;
- (7) review and discuss with the external auditors, any suspected fraud or irregularity, suspected infringement of any Singapore law, rules and regulations, which has or is likely to have a material impact on the Company's operating results or financial position, and management's response;
- (8) report to the Board its findings from time to time on matters arising and requiring the attention of the Committee;
- (9) review transactions falling within the scope of Chapter 9A and Clause 1006 of the SGX Listing Manual;
- (10) undertake such other reviews and projects as maybe requested by the Board;
- (11) 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
- (12) consider the appointment/re-appointment of the external auditors, the audit fee and matters relating to the resignation or dismissal of the auditors.

The Audit Committee has full access to and co-operation by the Company's management and the auditors. The Audit Committee meets with the external and internal auditors, without the presence of management, at least once a year and has full discretion to invite any director or executive officer to attend its meetings.

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.

Internal Audit

The Company has internal audit, risk management and compliance functions. The Internal Audit Department reports findings and recommendations to the Audit Committee and Management.

Remuneration Committee

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

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

The Remuneration Committee's principal responsibilities are:-

- (i) to review and recommend to the Board in consultation with management and the Chairman of the Board, a framework of remuneration and to determine the specific remuneration packages and terms of employment for each of the executive directors and senior executives/divisional directors (those reporting directly to the CEO) of the Group including those employees related to the executive directors and controlling shareholders of the Group.
- (ii) to oversee the Asiatravel.com Holdings Ltd Share Option Scheme (the "Scheme") and Performance Incentive Scheme (the "Incentive"), to determine the eligibility of full time employees of the Company and its subsidiaries companies to participate in the Scheme.
- (iii) to carry out its duties in the manner that it deemed expedient, subject always to any regulations or restrictions that may be imposed upon the RC by the Board of Directors from time to time.

As part of its review, the RC also ensures that:

- (a) all aspects of remuneration including director's fees, salaries, allowances, bonuses, options and benefits-in-kind should covered.
- (b) the remuneration packages should be comparable within the industry and comparable companies and shall include a performance-related element coupled with appropriate and meaningful measures of assessing individual executive directors' and senior executives/divisional directors performances.
- (c) The remuneration package of employees related to executive directors and controlling shareholders of the Group are in line with the Group's staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

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 for the year ended 30 September 2002 amounting to approximately \$245,960 (30 September 2001 : \$258,058).

Directors' Remuneration

A Breakdown, showing the level and mix of each individual director's remuneration paid during the financial year ended 30 September 2002 is as follows:

Remuneration Bands	Fees *	Salary **	Bonus	Total
S\$500,000 and above	–	–	–	–
S\$250,000 to below S\$500,000	–	–	–	–
Below S\$250,000	S\$54,000	S\$242,850	S\$22,000	S\$318,850
Patrick Ngiam Mia Je	S\$18,000	–	–	S\$18,000
Khoo Ho Tong	S\$18,000	–	–	S\$18,000
Lim Chuan Poh	S\$18,000	–	–	S\$18,000
Boh Tuang Poh	–	S\$108,480	S\$10,000	S\$118,480
Ang Eu Khoon #	–	S\$66,594	S\$6,000	S\$72,594
Joanna Yeo	–	S\$67,776	S\$6,000	S\$73,776

Notes :

* Directors' fee for the financial year ended 30 September 2002 was declared pending approval at the Annual General Meeting.

** Salary includes basic salaries and employers' CPF portion.

Mr Ang Eu Khoon's remuneration is drawn in SH Tours Pte Ltd.

Share Option Scheme

The Remuneration Committee administers the 2001 Scheme in accordance with the guidelines set.

Share Options granted to the Directors of the Company granted during the year ended 30 September 2002 are as follows:

Name of Directors	Options granted during financial year under review	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
Boh Tuang Poh	400,000	400,000	–	400,000
Ang Eu Khoon	40,000	400,000	–	400,000
Joanna Yeo	–	400,000	200,000	200,000
Khoo Ho Tong	–	400,000	200,000	200,000
Lim Chuan Poh	–	400,000	–	400,000

Shareholder Communications

Accountability and Audit

Communication with Shareholders

Greater Shareholder Participation

The Board is mindful of the obligation to provide timely and fair disclosure of material information to the Company's shareholders and does not practise selective disclosures. Such information, especially price sensitive information, are always release via MASNET first, either before the Company meets with and group of investors or analysts or simultaneously with such meetings. Results and annual report are announced or issued within the mandatory period.

All shareholders are given the opportunity to air their views and ask the Board or management questions regarding the Company at the Annual General Meeting.

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.

INTERESTED PERSON TRANSACTIONS POLICY

The Company has adopted an internal policy in respect of any transaction with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. For FY2002, there were the following interested person transactions:-

The aggregate value of interested person transactions entered into during the financial year under review is as follows:-

Name of interested person	Aggregate value of interested person transactions during the financial year under review (excluding transactions less than \$100,000 and those conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
San's Rent-A-Car Pte Ltd	—	—	2,596	2,409
	=====	=====	=====	=====

DIRECTORS' ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

Names	<u>Board</u>		<u>Audit Committee</u>	
	No of Meetings held	No of Meetings attended	No of Meetings held	No of Meetings attended
Patrick Ngiam Mia Je	2	2		
Khoo Ho Tong	2	2	2	2
Lim Chuan Poh	2	0	2	1
Boh Tuang Poh	2	2		
Ang Eu Khoon	2	2		
Joanna Yeo	2	2	2	2

On Behalf of the Board

Boh Tuang Poh
Director

Ang Eu Khoon
Director

Singapore
16 January 2003

Auditors' Report to the Members of Asiatravel.com Holdings Ltd

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We have audited the financial statements of Asiatravel.com Holdings Ltd set out on pages 50 to 86. The financial statements comprise the balance sheets of the Company and of the Group as at 30 September 2002, the profit and loss accounts and the statements of changes in equity of the Company and of the Group and cash flows of the Group for the year ended 30 September 2002, 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 2002, and of 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 those 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 and auditors' reports of all subsidiary companies of which we have not acted as auditors, being financial statements included in the consolidated financial statements. The names of these subsidiary companies are stated in Note 6 to the financial statements.

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 of 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
16 January 2003

50 Balance Sheets as at 30 September 2002

	Notes	Group		Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Non-current assets					
Fixed assets	3	830	1,183	225	305
Website development costs	4	420	524	–	–
Investment in subsidiary companies	6	–	–	1,855	1,855
Other investments	7	1,952	1,626	1,876	1,626
Current assets					
Stocks	8	70	34	–	–
Trade debtors	9	2,005	1,381	–	–
Other debtors	10	1,910	1,620	237	47
Amounts due from subsidiary companies	11	–	–	731	902
Amounts due from related parties	12	184	201	11	102
Dividend receivable		–	–	–	500
Fixed deposits		945	1,125	925	1,125
Cash and bank balances		5,442	3,898	879	669
		10,556	8,259	2,783	3,345
Current liabilities					
Trade creditors		1,007	581	–	–
Other creditors	13	3,545	2,390	187	218
Amounts due to subsidiary companies	11	–	–	12	626
Amounts due to related parties	14	112	108	–	–
Hire purchase creditors	15	98	232	24	24
Provision for income tax		685	843	–	–
Interim dividend payable	25	468	500	468	500
		5,915	4,654	691	1,368
Net current assets		4,641	3,605	2,092	1,977
Non-current liabilities					
Hire purchase creditors	15	(122)	(189)	(106)	(125)
Deferred income tax	16	(22)	(2)	(15)	–
		7,699	6,747	5,927	5,638
Equity					
Share capital	17	2,361	2,347	2,361	2,347
Share premium	18	2,996	2,828	2,996	2,828
Retained earnings	19	2,360	1,603	570	463
Foreign currency translation reserve		(129)	(140)	–	–
		7,588	6,638	5,927	5,638
Minority interest		111	109	–	–
		7,699	6,747	5,927	5,638

The accounting policies and explanatory notes on pages 55 to 86 form an integral part of the financial statements.

Profit and Loss Accounts

for the year ended 30 September 2002

	Notes	Group		Company	
		2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Revenues					
Sale of services	20	32,679	26,814	–	–
Dividend income (gross) from subsidiary companies		–	–	900	1,325
Other revenue	21	487	245	1,304	742
		33,166	27,059	2,204	2,067
		33,166	27,059	2,204	2,067
Costs and expenses					
Cost of services	22	20,951	16,669	–	–
Amortisation of website development costs	4	164	123	–	–
Salaries and employee benefits	28	5,865	5,453	471	398
Depreciation of fixed assets	3	459	397	90	63
Other operating expenses	22	3,563	2,655	461	250
		31,002	25,297	1,022	711
		31,002	25,297	1,022	711
Profit from operating activities					
Finance costs	22	(57)	(37)	(10)	(4)
		2,164	1,762	1,182	1,356
		2,164	1,762	1,182	1,356
Profit before income tax					
Income tax	23	(579)	(737)	(286)	(321)
		1,528	988	886	1,031
		1,528	988	886	1,031
Profit after income tax					
Minority interests		8	162	–	–
		1,536	1,150	886	1,031
		1,536	1,150	886	1,031
Net profit for the financial year					
Earnings per share - in cents					
- Basic	24	0.98	0.84		
		0.98	0.84		
		0.98	0.84		
- Diluted	24	0.97	0.83		
		0.97	0.83		
		0.97	0.83		

The accounting policies and explanatory notes on pages 55 to 86 form an integral part of the financial statements.

Statements of Changes in Equity

for the year ended 30 September 2002

	Group and Company			
	Amounts		Number of shares	
	2002 \$'000	2001 \$'000	2002 '000	2001 '000
Authorised capital				
- shares of \$0.015 (2001 : \$1) each				
Balance at the beginning of year	6,000	5,000	400,000	5,000
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
	–	6,000	–	600,000
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each				400,000
Balance at the end of year	6,000	6,000	400,000	400,000
Issued and fully paid up capital				
- shares of \$0.015 (2001 : \$1) each ⁽¹⁾				
Balance at the beginning of year	2,347	1,755	156,480	1,755
Issue of ordinary shares	14	240	907	240
	2,361	1,995	157,387	1,995
Sub-division of ordinary shares of \$1 each into ordinary shares of \$0.01 each	–	1,995	–	199,469
Issue of ordinary shares	–	–#	–	1
	–	1,995	–	199,470
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each	–	1,995	–	132,980
Issue of ordinary shares pursuant to the Initial Public Offer	–	352	–	23,500
Balance at the end of year	2,361	2,347	157,387	156,480

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

⁽¹⁾ The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Statements of Changes in Equity

for the year ended 30 September 2002

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	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Share premium				
Balance at the beginning of year	2,828	–	2,828	–
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
Premium of \$0.185 per share from the issuance of 907,000 ordinary shares of \$0.015 each pursuant to the exercise of share options	168	–	168	–
Expenses in relation to the Initial Public Offer	–	(1,656)	–	(1,656)
Balance at the end of year	<u>2,996</u>	<u>2,828</u>	<u>2,996</u>	<u>2,828</u>
Foreign currency translation reserve				
Balance at the beginning of year	(140)	(43)	–	–
Adjustment for the year	11	(97)	–	–
Balance at end of year	<u>(129)</u>	<u>(140)</u>	<u>–</u>	<u>–</u>
Retained earnings/(accumulated losses)				
Balance at the beginning of year	1,603	953	463	(68)
Profit for the year	1,536	1,150	886	1,031
Interim dividends (Note 25)	(779)	(500)	(779)	(500)
Balance at the end of year	<u>2,360</u>	<u>1,603</u>	<u>570</u>	<u>463</u>
Total equity	<u>7,588</u>	<u>6,638</u>	<u>5,927</u>	<u>5,638</u>
Total reserves are made up of :				
Distributable	2,360	1,603	570	463
Non-distributable	2,867	2,688	2,996	2,828
	<u>5,227</u>	<u>4,291</u>	<u>3,566</u>	<u>3,291</u>

The accounting policies and explanatory notes on pages 55 to 86 form an integral part of the financial statements.

54 Consolidated Statement of Cash Flows

for the year ended 30 September 2002

	2002 \$'000	2001 \$'000
Cash flows from operating activities :		
Profit before income tax	2,107	1,725
Adjustments for :		
Depreciation of fixed assets	459	397
Amortisation of website development costs	164	123
Interest expense	57	37
Interest income	(46)	(54)
Loss on disposal of fixed assets (net)	6	21
Gain on disposal of interest in a subsidiary company	(25)	(4)
Gain on dilution resulting from allotment of shares by a subsidiary company	(8)	–
Translation adjustment	(6)	(67)
	<hr/>	<hr/>
Operating income before working capital changes	2,708	2,178
Increase in stocks	(36)	(18)
Increase in debtors	(740)	(639)
Increase in creditors	1,607	443
(Increase)/decrease in net amounts due from related parties	148	86
	<hr/>	<hr/>
Cash generated from operations	3,687	2,050
Interest paid	(57)	(37)
Interest received	46	54
Income tax paid	(892)	(613)
	<hr/>	<hr/>
Net cash flow from operating activities	2,784	1,454
Cash flows from investing activities :		
Purchase of fixed assets	(182)	(704)
Increase in website development costs	(236)	(419)
Purchase of other investments	(312)	(1,250)
Proceeds from disposal of fixed assets	60	13
Disposal of subsidiary company, net of cash (Note 26)	41	–
Proceeds from disposal of an interest in a subsidiary company	–	–#
	<hr/>	<hr/>
Net cash used in investing activities	(629)	(2,360)
Cash flows from financing activities :		
Issue of shares in subsidiary companies to minority interests	39	178
Repayment to hire purchase creditors	(201)	(1)
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)
Dividends paid	(811)	–
Proceeds from exercise of share options	182	–
	<hr/>	<hr/>
Net cash (used in)/generated from investing activities	(791)	3,548
Net increase in cash and cash equivalents	1,364	2,642
Cash and cash equivalents at beginning of year (Note 26)	5,023	2,381
	<hr/>	<hr/>
Cash and cash equivalents at end of year (Note 26)	6,387	5,023
	=====	=====

Amount less than \$1,000

The accounting policies and explanatory notes on pages 55 to 86 form an integral part of the financial statements.

1. Corporate information

The consolidated financial statements of Asiatravel.com Holdings Ltd for the year ended 30 September 2002 were authorised for issue in accordance with a resolution of the Directors on 16 January 2003. The Company is a limited liability company which is incorporated in Singapore.

The registered office of Asiatravel.com Holdings Ltd 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.

Following the disposal of Hotelexchange.com Pte. Ltd. during the year, the Group ceased to provide business-to-business hotel reservation services. There were no other significant changes in the nature of these activities during the financial year.

The Group operates in ten (2001 : twelve) countries and employed 288 (2001 : 277) employees as at 30 September 2002.

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.

The financial statements have been prepared on a historical cost basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) *Revision of Statement of Accounting Standard*

There has been a revision of Statement of Accounting Standard SAS 12 (2001) – Income Taxes, effective for financial periods commencing 1 April 2001. Presented in the notes to the financial statements is a reconciliation between the statutory tax rate and the effective tax rates of the Company and Group and additional disclosure on the amount of deferred tax assets and liabilities recognised in the balance sheets in respect of each type of temporary difference, unused tax losses and unused tax credits. Previously, deferred tax liability was to be recognised for timing differences only to the extent that a tax liability was expected to materialise in the foreseeable future. In accordance with SAS 12 (2001), deferred tax liability is recognised for all taxable temporary differences. There is no financial effect of this revision of Statement of Accounting Standard because the Group had fully recognised its deferred tax liabilities in the previous financial year.

2. Significant accounting policies (cont'd)**(c) Principles of consolidation**

The consolidated financial statements comprise the financial statements of Asiatravel.com Holdings Ltd and its subsidiary companies, after the elimination of all material intercompany transactions. The equity and net profit attributable to minority shareholders' interests are shown separately in the consolidated balance sheet and consolidated profit and loss account respectively.

Subsidiary companies are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Acquisitions of subsidiaries are accounted for using the purchase method of accounting.

The financial statements of 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.

(d) Fixed assets**Cost**

Fixed assets are stated at cost less accumulated depreciation and any impairment in value. All items of fixed assets are recorded at cost. The initial cost of fixed assets comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to the profit and loss account in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of fixed assets beyond its originally assessed standard of performance, the expenditures are capitalised as an additional cost of fixed assets.

(e) Website development costs

Website development costs are stated at cost less accumulated amortisation. Website development costs 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.

The carrying value of website development costs is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

(f) 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)

(g) *Subsidiary companies*

A subsidiary company is a company in which the Group, directly or indirectly, holds more than 50% of the issued share capital, or controls more than half of the voting power, or controls the composition of the board of directors.

Shares in subsidiary companies are stated at cost less any impairment in value. An assessment of investments in subsidiary companies is performed when there is indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

(h) *Other investments*

Investments held on a long-term basis are stated at cost. An assessment of other investments is performed when there is indication that the asset has been impaired or the impairment losses recognised in the prior years no longer exist.

(i) *Stocks*

Stocks are stated at the lower of cost and net realisable value. Stocks comprise mainly admission tickets to various tourist attractions and cost 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.

(j) *Trade and other debtors*

Trade debtors, which generally have been granted between 30 - 90 day credit 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 subsidiary companies and related parties are recognised and carried at cost less an allowance for any uncollectible amounts.

(k) *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 subsidiary companies and related parties are carried at cost.

(l) *Impairment of assets*

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the profit and loss account or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income or as a revaluation increase. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

2. Significant accounting policies (cont'd)

(m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(n) 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 that 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 up to the end of the financial year.

(o) Depreciation

Depreciation is computed on the straight line basis to write-down 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.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of fixed assets. An assessment of the carrying value of fixed assets is made when there are indications that the assets have been impaired or the impairment losses recognised in prior years no longer exist.

(p) 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.

2. Significant accounting policies (cont'd)

(p) *Employee benefits (cont'd)*

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to balance sheet date.

Employee share incentive plan

The Group has employee share incentive plans for the granting of non-transferable options. There are no charges made to the profit and loss accounts upon the grant or exercise of the share options. When the options are exercised, the shareholders' equity is increased by the amount of the proceeds received.

(q) *Leases*

Finance lease

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalised at the present value of the minimum lease payments at the inception of the leased term. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to the profit and loss account.

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

(r) *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 average exchange rates. Exchange differences due to such currency translations are included in the foreign currency translation reserve which is included in equity. On disposal of a foreign subsidiary company, accumulated exchange differences are recognised in the profit and loss account as a component of the gain or loss on disposal.

2. Significant accounting policies (cont'd)

(s) *Income taxes*

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted at the balance sheet date.

Deferred tax liabilities are recognised for all taxable temporary differences associated with investments in subsidiary companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised.

Current tax and deferred tax are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

3. Fixed assets

Group	Computers \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	Total \$'000
Cost						
At beginning of the year	558	148	143	54	1,090	1,993
Due to disposal of a subsidiary company	(34)	(3)	–	(4)	–	(41)
Additions	100	13	26	–	43	182
Disposals	(70)	(6)	(4)	–	(46)	(126)
Foreign exchange translation adjustment	8	2	1	1	1	13
At end of the year	562	154	166	51	1,088	2,021
Accumulated depreciation						
At beginning of the year	219	49	36	14	492	810
Due to disposal of a subsidiary company	(11)	(1)	–	(1)	(7)	(20)
Charge for the year	139	33	37	12	238	459
Disposals	(46)	(3)	(2)	–	(9)	(60)
Foreign exchange translation adjustment	2	–	–	–	–	2
At end of the year	303	78	71	25	714	1,191
Charge for 2001	133	30	24	11	199	397
Net book value						
At end of the year	259	76	95	26	374	830
At beginning of the year	339	99	107	40	598	1,183
Company						
Cost						
At beginning of the year	56	42	20	18	242	378
Additions	12	1	–	–	–	13
Fixed assets written off	(9)	–	–	–	–	(9)
At end of the year	59	43	20	18	242	382
Accumulated depreciation						
At beginning of the year	17	8	4	4	40	73
Charge for the year	23	10	4	5	48	90
Fixed assets written off	(6)	–	–	–	–	(6)
At end of the year	34	18	8	9	88	157
Charge for 2001	12	5	3	3	40	63

3. Fixed assets (cont'd)

Company	Furniture and fittings					Total \$'000
	Computers \$'000	fittings \$'000	Office equipment \$'000	Renovation \$'000	Motor vehicles \$'000	
Net book value						
At end of the year	25	25	12	9	154	225
At beginning of the year	39	34	16	14	202	305

As at 30 September 2002, the net book value of fixed assets of the Group and of the Company acquired under hire purchase agreements amounted to \$298,960 (2001 : \$506,633) and \$153,267 (2001 : \$201,667) respectively.

4. Website development costs

	Group	
	2002 \$'000	2001 \$'000
Cost		
Balance at beginning of the year	689	280
Arising from the disposal of a subsidiary company	(269)	–
Additions	236	419
Foreign exchange translation adjustment	(2)	(10)
Balance at end of the year	654	689
Accumulated amortisation		
Balance at beginning of the year	165	45
Arising from the disposal of a subsidiary company	(91)	–
Amortisation for the year	164	123
Foreign exchange translation adjustment	(4)	(3)
Balance at end of the year	234	165
Net book value		
Balance at end of the year	420	524
Balance at beginning of the year	524	235

5. Deferred expenditure

	Group and Company	
	2002	2001
	\$'000	\$'000
Balance at the beginning of the year	-	327
Expenses incurred during the year in relation to the Initial Public Offer	-	1,329
Charged to the share premium account	-	(1,656)
	<u> </u>	<u> </u>
Balance at the end of year	-	-
	<u> </u>	<u> </u>

Deferred expenditure comprised expenses related to the Initial Public Offer. These were charged to the share premium account upon the admission of the Company to the Stock Exchange of Dealing and Automated Quotation System (SESDAQ).

6. Investment in subsidiary companies

	Company	
	2002	2001
	\$'000	\$'000
Unquoted equity shares, at cost	1,855	1,855
	<u> </u>	<u> </u>

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
		2002 \$'000	2001 \$'000	2002 %	2001 %	
Subsidiary companies held by the Company						
AT Reservation Network Pte Ltd ⁽¹⁾	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. ⁽¹⁾	23 November 1991 Singapore	409	409	100	100	Provision of tours and transportation packages.
		<u> </u>	<u> </u>			
		<u> </u>	<u> </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
		2002 %	2001 %	
Subsidiary companies held by AT Reservation Network Pte Ltd (cont'd)				
AT Network Co., Ltd. ⁽²⁾	5 April 1999 Thailand	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT Phil., Inc. ⁽³⁾	24 August 1999 Philippines	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Limited ⁽⁴⁾	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⁾	5 March 1999 Indonesia	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Pty Ltd ⁽⁶⁾	21 January 1999 Australia	100	100	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asiatravel.com Inc. ⁽⁷⁾	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 (L.L.C.) ⁽⁸⁾	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. ⁽¹³⁾	18 February 2000 Singapore	–	100	Dormant
Asiatravel Vietnam (S) Pte Ltd ⁽¹⁾	20 January 2001 Singapore	70	70	Dormant
Global Service Aggregators (S) Pte Ltd ⁽⁹⁾	18 February 2000 Singapore	50	50	Provision of internet hotel reservation service, website membership and sale of tour packages.

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
		2002 %	2001 %	
Subsidiary companies held by AT Reservation Network Pte Ltd (cont'd)				
ATJapanese.com Pte. Ltd. ⁽¹⁴⁾	18 February 2000 Singapore	90	90	Dormant
AT-Chinese (HK) Limited ⁽⁴⁾	2 June 2000 Hong Kong	73	80	Provision of internet hotel reservation service, website membership and sale of tour packages.
Hotelexchange.com Pte. Ltd. ⁽⁹⁾⁽¹⁵⁾	18 February 2000 Singapore	–	75	Provision of business-to-business hotel reservation service.
Hotel-Solution.com Pte. Ltd. ⁽⁹⁾	18 February 2000 Singapore	75	75	Provision of hotel management solutions with its e-commerce enabled web-based property management system
Asia Travel Europe Limited ⁽¹⁰⁾	13 August 2001 United Kingdom	100	100	Provision of internet hotel reservation service.
Subsidiary company held by PT Asia Travelindo Nusantara				
PT Internet Komersial Bisnis ⁽⁵⁾⁽¹⁶⁾	15 February 2000 Indonesia	100	100	Dormant
Subsidiary company held by AT Network Co., Ltd				
AT e-Commerce Company Limited. ⁽¹¹⁾	8 February 2000 Thailand	100	100	Provision of electronic-commerce, technical and consultancy service.
Subsidiary companies held by AT Phil., Inc.				
AT e- Commerce, Inc. ⁽¹⁷⁾	21 July 2000 Philippines	–	100	Dormant
AT Pacific Management Inc. ⁽¹⁸⁾	6 June 2001 Philippines	68	68	Dormant
Islander Exclusive Express Tours, Travel and Transportation, Inc. ⁽¹²⁾	13 March 2001 Philippines	70 =====	70 =====	Provision of tour and transportation packages.

6. Investment in subsidiary companies (cont'd)

- (1) Audited by Ernst & Young, Singapore
 (2) Audited by Grant Thornton Limited, Thailand
 (3) Audited by KPMG Laya Mananghaya & Co., Philippines
 (4) Audited by Willis Cheng & Company, Hong Kong
 (5) Audited by Drs Johan, Malonda & Rekan, Indonesia
 (6) Audited by Peter Thomas & Associates, Australia
 (7) Audited by McNair and Associates, Chtd, United States of America
 (8) Audited by Gulf Accountancy & Audit Centre, United Arab Emirates
 (9) Audited by Chio Lim & Associates, Singapore
 (10) Audited by Kingston Smith, United Kingdom
 (11) Audited by Synergy Audit & Partners, Thailand
 (12) Audited by Leonardo and Associates, Philippines
 (13) Struck-off during the year
 (14) In the process of being struck-off (Note 34)
 (15) On 31 August 2002, the Group's equity stake was reduced from 75.01% to 19.9% after the disposal of 440,880 shares in the company. Accordingly, the shares held in Hotelexchange.com Pte. Ltd. have been reclassified and included in other investment.
 (16) Under voluntary liquidation (Note 34)
 (17) De-registered during the year
 (18) Dissolved subsequent to year end (Note 34). The accounting year ends on 31 December and the consolidated financial statements incorporated the management accounts for the 7 months ended 31 July 2002, the date of discontinuance of commercial operations (Note 34).

7. Other investments

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
<i>At cost</i>				
Quoted :				
Bond	250	–	250	–
Unquoted :				
Moneyplus Notes	1,250	1,250	1,250	1,250
Equity shares –				
Star-Travel.com Limited	376	376	376	376
Other unquoted equity shares	76	–	–	–
	<u>1,952</u>	<u>1,626</u>	<u>1,876</u>	<u>1,626</u>
	=====	=====	=====	=====
Market value of quoted bond	252	–	252	–
	=====	=====	=====	=====

The quoted bond bears interest at 3.26% (2001 : Nil) per annum.

The fair value of Moneyplus Notes approximates its carrying value. The investment, renewable quarterly, bears an average interest at 1.6% (2001: 2.2%) per annum. The investment's maturity date is 14 January 2003. The Directors have no intention to withdraw this investment within the next twelve months.

The Group derives intangible benefits through the acquisition of an interest of 12% in the share capital of Star-Travel.com Limited. Intangible benefits include the awareness of the Group's business activities via interactive and cable television channels which are managed by the investee.

Included in other unquoted equity shares is an amount of \$14,001 (2001 : Nil) relating to the shares held in a company which was previously a subsidiary company. This arose as a result of the reduction in the interest of the Group in this company from 75.01% to 19.9% after the disposal of 440,880 shares in the company on 31 August 2002.

8. Stocks

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
<i>At cost</i>				
Admission tickets	70	34	-	-
	=====	=====	=====	=====

9. Trade debtors

Trade debtors are stated after deducting

provision for doubtful debts of :

Balance at beginning of year	105	75	-	-
(Write-back)/provision for the year	(3)	52	-	-
Bad debts written off	(65)	(20)	-	-
Foreign currency translation adjustment	-	(2)	-	-
	-----	-----	-----	-----
Balance at end of year	37	105	-	-
	=====	=====	=====	=====
Bad debts written off directly to profit and loss account	77	55	-	-
	=====	=====	=====	=====

10. Other debtors

Deposits	523	410	35	35
Prepayments	1,086	717	6	5
Staff advances	10	25	-	-
Income tax paid in advance	184	7	184	7
Receivable for the disposal of shares in a previous subsidiary company	19	-	-	-
Other receivables	88	461	12	-
	-----	-----	-----	-----
	1,910	1,620	237	47
	=====	=====	=====	=====

Included in other receivables was an amount of \$Nil (2001 : \$423,000) which was recoverable from a Director and a vice-president of a subsidiary company. This represented 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 amount was fully repaid during the current financial year.

The staff advances are interest-free, unsecured and are expected to be repaid within the next twelve months.

Prepayments consist mainly of payments made in advance for hotel rooms and lease of coaches from a related party of \$438,355 (2001 : \$206,153) and \$381,600 (2001 : \$304,680) respectively.

11. Amounts due from/(to) subsidiary companies

The amounts are non-trade related, unsecured, interest-free and are expected to be repaid within the next twelve months.

12. Amounts due from related parties

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Trade	5	–	–	–
Non-trade	179	201	11	102
	<u>184</u>	<u>201</u>	<u>11</u>	<u>102</u>
	=====	=====	=====	=====

The amounts are unsecured, interest-free and expected to be repaid within the next twelve months.

13. Other creditors

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Accruals	1,784	1,215	187	210
Deferred income	1,614	885	–	–
Sundry creditors	147	290	–	8
	<u>3,545</u>	<u>2,390</u>	<u>187</u>	<u>218</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, interest-free and are expected to be repaid within the next twelve months.

15. Hire purchase creditors

The leases expire over 5 years (2001 : 6) and the effective interest rates implicit in the leases of the Group and Company are 5.04% to 8.36% (2001 : 5.04%) and 5.04% to 8.36% (2001 : 5.04%) per annum respectively.

Group	Minimum payments 2002 \$'000	Present value of payments 2002 \$'000	Minimum payments 2001 \$'000	Present value of payments 2001 \$'000
Within one year	112	98	289	232
After one year but not more than five years	127	122	153	137
More than five years	-	-	55	52
	127	122	208	189
Total minimum lease payments	239	220	497	421
Less : amount representing finance charges	(19)	-	(76)	-
Present value of minimum lease payments	220	220	421	421
Company				
Within one year	36	24	29	24
After one year but not more than five years	112	106	93	73
More than five years	-	-	55	52
	112	106	148	125
Total minimum lease payments	148	130	177	149
Less : amount representing finance charges	(18)	-	(28)	-
Present value of minimum lease payments	130	130	149	149

16. Deferred income tax

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Balance at beginning of year	2	2	-	-
Provision during the year				
- reversal of temporary differences	20	-	15	-
	<u>22</u>	<u>2</u>	<u>15</u>	<u>-</u>
	=====	=====	=====	=====
Balance at end of year	22	2	15	-
	<u>22</u>	<u>2</u>	<u>15</u>	<u>-</u>
	=====	=====	=====	=====
The details are analysed as follows :				
<i>Deferred tax liabilities</i>				
Difference in depreciation	20	25	8	-
Others	8	5	7	-
	<u>28</u>	<u>30</u>	<u>15</u>	<u>-</u>
	=====	=====	=====	=====
<i>Deferred tax assets</i>				
General provisions	3	2	-	-
Unutilised tax losses	3	26	-	-
	<u>6</u>	<u>28</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====
<i>Net deferred tax liabilities</i>	22	2	15	-
	<u>22</u>	<u>2</u>	<u>15</u>	<u>-</u>
	=====	=====	=====	=====
Temporary differences for which no deferred tax is recognised :				
Unutilised tax losses	98	48	-	-
Unabsorbed capital allowances	19	1	-	-
	<u>117</u>	<u>49</u>	<u>-</u>	<u>-</u>
	=====	=====	=====	=====

The unabsorbed capital allowances and unutilised tax losses mentioned above are available for set-off against future taxable profits of the companies in which the losses arose for which no deferred tax asset has been recognised because of the uncertainty of its recoverability. The use of these unabsorbed capital allowances and unutilised tax losses are subject to the agreement by the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

17. Share capital

	Group and Company	
	2002	2001
	\$'000	\$'000
Authorised :-		
At beginning of the financial year		
400,000,000 (2001 : 5,000,000) ordinary shares of \$0.015 (2001 : \$1) each and during the previous year sub-divided into 500,000,000 shares of \$0.01 each	6,000	5,000
Increase during the financial year		
100,000,000 ordinary shares of \$0.01 each	—	1,000
	—————	—————
At the end of the financial year		
400,000,000 ordinary shares of \$0.015 each (2001 : \$0.015 each after consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each)	6,000	6,000
	=====	=====
Issued and fully paid up :-		
At beginning of the financial year		
156,480,300 (2001 : 1,755,327) ordinary shares of \$0.015 (2001 : \$1) each	2,347	1,755
Issued during the year :-		
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
		—————
Sub-division of ordinary shares of \$1 each into ordinary shares of \$0.01 each		1,995
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	*	—#
		—————
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each	*	1,995
23,500,000 ordinary shares of \$0.015 each for cash at \$0.20 per share through Initial Public Offer	*	352
907,000 ordinary shares of \$0.015 each for cash at \$0.20 each pursuant to the exercise of share options	14	—
	—————	—————
At the end of the financial year		
157,387,300 (2001 : 156,480,300) ordinary shares of \$0.015 each	2,361	2,347
	=====	=====

Amount less than \$1,000

* Not relevant for 2002

18. Share premium

	Group and Company	
	2002	2001
	\$'000	\$'000
Balance at the beginning of year	2,828	–
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
Premium of \$0.185 per share from the issuance of 907,000 ordinary shares of \$0.015 each pursuant to the exercise of share options	168	–
Expenses in relation to the Initial Public Offer	–	(1,656)
	<u>2,996</u>	<u>2,828</u>
	=====	=====

19. Retained earnings/(accumulated losses)

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Balance at the beginning of financial year	1,603	953	463	(68)
Profit for the financial year	1,536	1,150	886	1,031
Interim dividends (Note 25)	(779)	(500)	(779)	(500)
	<u>2,360</u>	<u>1,603</u>	<u>570</u>	<u>463</u>
	=====	=====	=====	=====

20. Sale of services

	Group	
	2002	2001
	\$'000	\$'000
Sale of hotel rooms	14,604	10,152
Sale of tours and transportation packages	15,200	14,074
Commission income	2,649	2,391
Annual website membership fees	153	172
Service fees	73	25
	<u>32,679</u>	<u>26,814</u>
	=====	=====

21. Other revenue

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Interest income	46	54	26	22
Consultancy fees	-	-	240	90
Realised exchange gain				
- realised	117	14	-	-
- unrealised	61	97	-	1
Management fees	18	12	1,027	626
Gain on disposal of shares in a subsidiary company	25	4	-	-
Gain on dilution resulting from allotment of shares by a subsidiary company	8	-	-	-
Sundry income	204	64	4	3
Gain on disposal of fixed assets	8	-	7	-
	487	245	1,304	742
	487	245	1,304	742

22. Cost of services, other operating expenses and finance costs

Cost of services, other operating expenses and finance costs included the following for the financial years ended 30 September :

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<i>Cost of services :-</i>				
Hotel rooms	11,361	8,016	-	-
Tours and transportation packages	9,590	8,653	-	-
	20,951	16,669	-	-
	20,951	16,669	-	-
<i>Other operating expenses :-</i>				
Auditors' remuneration				
• Fees for audit services				
- Auditors of the Company				
- current year	67	68	30	30
- (over)/underprovision in respect of prior years	(2)	4	-	(5)
- Other auditors	75	39	-	-
• Fees for other services	-	-	-	-
Directors' fees				
- Non-Executive Directors of the Company	54	54	54	54
Loss on disposal of fixed assets	14	21	-	-
E.com and credit card charges	524	399	-	-
Internet charges	136	83	18	11
Rental expenses	484	406	88	47
Bad trade debts written-off	77	55	-	-
Pre-operating expenses written-off	-	54	-	-
(Write-back)/provision for doubtful trade debts	(3)	52	-	-
Exchange loss - realised	103	3	19	5
- unrealised	119	126	6	-
	57	37	10	4
	57	37	10	4
<i>Finance costs :-</i>				
Hire purchase interest	57	37	10	4
	57	37	10	4

23. Income tax

Major components of tax expense :

	Group		Company	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Current income tax				
- Singapore	436	423	271	321
- Overseas	216	310	-	-
	<u>652</u>	<u>733</u>	<u>271</u>	<u>321</u>
Deferred income tax	20	-	15	-
	<u>672</u>	<u>733</u>	<u>286</u>	<u>321</u>
(Over)/underprovision of current income tax in respect of previous years	(93)	4	-	-
	<u>579</u>	<u>737</u>	<u>286</u>	<u>321</u>
	=====	=====	=====	=====
Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate :				
Profit before income tax	2,107	1,725	1,172	1,352
	=====	=====	=====	=====
Tax calculated at corporate tax rate of 22% (2001 : 24.5%)	464	423	259	331
Adjustments :				
Expenses not deductible/(taxable) in determining taxable profits	121	224	15	(5)
Statutory stepped income exemption	(35)	(63)	(11)	(24)
Others	24	21	23	19
Utilisation of deferred tax assets previously not recognised	(8)	-	-	-
Losses of subsidiary companies which are not offset against profits of other entities	83	160	-	-
Effect of different tax rates in other countries	23	(32)	-	-
	<u>672</u>	<u>733</u>	<u>286</u>	<u>321</u>
	=====	=====	=====	=====
Effective tax rate	32%	42%	24%	24%
	=====	=====	=====	=====

24. Earnings per share

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

The following reflects the income and share data used in the basic and diluted earnings per share computations for the years ended 30 September :

	Group	
	2002	2001
	\$'000	\$'000
Net profit attributable to ordinary shareholders for basic and dilutive earnings per share	1,536	1,150
	=====	=====
	'000	'000
Weighted average number of ordinary shares on issue applicable to basic earnings per share	156,626	136,436
Effect of dilutive securities		
Share options	2,230	2,058
	-----	-----
Adjusted weighted average number of ordinary shares applicable to fully diluted earnings per share	158,856	138,494
	=====	=====

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

25. Interim dividends

	Group and Company	
	2002	2001
	\$'000	\$'000
First interim declared and paid/declared of 0.254 cents (2001 : 0.423 cents) less income tax of 22.0% (2001 : 24.5%)	311	500
Second interim declared of 0.383 cents (2001 : Nil) less income tax of 22.0% (2001 : Nil)	468	-
	779	500
	=====	=====

26. Cash and cash equivalents

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

	Group	
	2002	2001
	\$'000	\$'000
Fixed deposits	945	1,125
Cash and bank balances	5,442	3,898
	<u>6,387</u>	<u>5,023</u>
	=====	=====

The Company disposed of Hotelexchange.com Pte. Ltd. on 31 August 2002. The fair values of the assets disposed and liabilities discharged by Hotelexchange.com Pte. Ltd. as at 31 August 2002 and the cash flow effect of the disposal were :

	\$'000
Fixed assets	21
Website development costs	178
Trade debtor	2
Amount due from related parties	5
Trade creditors	(4)
Other creditors	(23)
Amount due to related parties	(132)
Cash and cash equivalents	20
Minority interests	(17)
	<u>50</u>
Fair value of net assets	50
Transfer to other investment	(14)
	<u>36</u>
Gain on disposal of shares in a subsidiary company	25
	<u>61</u>
Cash consideration	61
Cash and cash equivalents of Hotelexchange.com Pte. Ltd.	(20)
	<u>41</u>
Net cash inflow on disposal of subsidiary company	41
	=====

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 \$79,864 and \$73,107 for the financial years ended 30 September 2002 and 2001 respectively.

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

	Group	
	2002	2001
	\$'000	\$'000
Within one year	62	75
After one year but not more than five years	26	94
More than five years	-	-
	<u>88</u>	<u>169</u>
	=====	=====

28. Salaries and employee benefits

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

	Group		Company	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
Directors' remuneration				
Salaries and other emoluments				
- Executive Directors of the Company	222	260	158	215
- Executive Directors of subsidiary companies	452	418	-	-
Defined contributions (CPF)				
- Executive Directors of the Company	32	41	22	35
- Executive Directors of subsidiary companies	3	11	-	-
Other employees				
Defined contributions (CPF)	413	363	35	19
Salaries and bonus	4,658	4,281	250	129
Other personnel expenses	85	79	6	-
	5,865	5,453	471	398
	=====	=====	=====	=====

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 Holdings Ltd 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.

Options granted under the Scheme to full-time executive employees and Directors of the Group are subject to an option period of ten years, such period commencing from the date of grant and expiring on the day immediately preceding the tenth anniversary of the date of grant. The options are exercisable on the first anniversary of the date of grant. At the end of the financial year, there were 9,015,000 unissued ordinary shares of \$0.015 each of the Company under options as follows :-

Date of grant	Balance at beginning of the year	Additions	Option exercised during the year	Option cancelled during the year	Balance at end of the year	Sub- cription price	Expiry date
16 July 2001	6,172,500	-	(907,000)	(1,199,000)	4,066,500	\$0.20	16 July 2011
16 July 2001	6,172,500	-	-	(1,664,000)	4,508,500	\$0.16	16 July 2011
16 May 2002	-	220,000	-	-	220,000	\$0.26	15 May 2012
16 May 2002	-	220,000	-	-	220,000	\$0.21	15 May 2012
	12,345,000	440,000	(907,000)	(2,863,000)	9,015,000		
	=====	=====	=====	=====	=====		

Share options cancelled are due to the resignation of the participating employees during the year.

28. Salaries and employee benefits (cont'd)

*Subsidiary company**AT-Chinese (HK) Limited Share Option Scheme*

Pursuant to the service agreements with the Managing Director and Executive Director of AT-Chinese (HK) Limited respectively, and as disclosed in the prospectus dated 2 April 2001, these directors are granted an option over new ordinary shares of HK\$1 each in AT-Chinese (HK) Limited for their services. They each have a right to exercise an option over 5,291 shares in AT-Chinese (HK) Limited for every month of their service in the company, subject to a maximum period of 18 months commencing from 1 July 2000 at an exercise price of HK\$1 per share. The options may be exercised no later than 31 December 2002. At the end of the financial year, there were 95,238 unissued ordinary shares of HK\$1 each of the company under options as follows :-

Balance as at beginning of year	Addition	Exercised during the year	Balance as at end of year	Subscription price	Expiry date
158,730	31,746	(95,238)	95,238	HK\$1	31 December 2002

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

Directors of the subsidiary company	Options granted during financial year under review	Aggregate Options granted since commencement of the Scheme to end of financial year under review	Aggregate Options exercised since commencement of the Scheme to end of financial year under review	Aggregate options outstanding as at end of financial year under review
Liu Soon Leong	15,873	95,238	(95,238)	-
Tan Hood Ann	15,873	95,238	-	95,238

29. Directors' remuneration

In compliance with the requirements of the Singapore Exchange Securities Trading Limited, the number of Directors whose emoluments fall within the following bands are as follows :

	Group		Company	
	Number of Directors 2002	2001	Number of Directors 2002	2001
\$500,000 and above	-	-	-	-
\$250,000 to \$499,999	-	-	-	-
Below \$250,000	26	13	8	6
	<u>26</u>	<u>13</u>	<u>8</u>	<u>6</u>
	=====	=====	=====	=====

29. Directors' remuneration (cont'd)

The aggregate Directors' remuneration by category are as follows :-

Group	2002			2001		
	Executive Directors \$'000	Non Executive Directors \$'000	Total \$'000	Executive Directors \$'000	Non Executive Directors \$'000	Total \$'000
Directors' fees	-	54	54	-	54	54
Salaries	637	-	637	660	-	660
Bonus	37	-	37	18	-	18
Defined contributions (CPF)	35	-	35	52	-	52
	709	54	763	730	54	784
	709	54	763	730	54	784

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 2002 and 2001.

The Group's operating businesses are managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The Group accounts for intersegment sales and transfers as if these were to third parties at current market prices.

Business segments

	Tours and transportation packages		Internet hotel reservation service		Corporate		Others		Eliminations		Group	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue												
Sales to external customers	14,283	12,767	17,254	12,543	—	—	1,550	1,691	—	—	33,087	27,001
Intersegment sales	5	56	67	44	1,927	2,442	273	253	(2,272)	(2,795)	—	—
Unallocated revenue											79	58
Total revenue											33,166	27,059
Segment result											2,085	1,704
Unallocated result	1,161	1,015	711	454	895	1,351	334	990	(1,016)	(2,106)	79	58
Finance costs											2,164	1,762
Profit before income tax											(57)	(37)
Income tax											2,107	1,725
Minority interests, net of income tax											(579)	(737)
Net profit for the year											1,528	988
											8	162
											1,536	1,150

30. Segment information (cont'd)

Business segments

	Tours and transportation packages		Internet hotel reservation service		Corporate		Others		Eliminations		Group	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment assets	5,318	5,369	6,426	5,274	6,556	7,131	578	711	(5,304)	(6,900)	13,574	11,585
Unallocated assets											184	7
Total assets											<u>13,758</u>	<u>11,592</u>
Segment liabilities	2,435	2,271	2,941	2,230	1,136	1,493	264	301	(1,644)	(2,716)	5,132	3,579
Unallocated liabilities											927	1,266
Total liabilities											<u>6,059</u>	<u>4,845</u>
Other segment information :												
Capital expenditure	211	393	175	387	13	378	26	52	(7)	(87)	418	1,123
Depreciation and amortisation	244	223	295	219	90	63	27	29	(33)	(14)	623	520
Other non-cash expenses	27	48	33	47	-	8	46	6	(43)	-	63	109

30. Segment information (cont'd)

Geographical segments

	Singapore		Thailand		The Philippines		Middle East		Others		Eliminations		Group	
	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segment revenue	15,341	13,438	3,187	2,444	4,011	4,194	2,382	7,974	4,543	-	-	-	33,087	27,001
Sales to external customers	2,011	2,547	26	11	12	9	-	223	333	(2,272)	(2,900)	-	-	-
Intersegment sales													79	58
Unallocated revenue														
Total revenue													<u>33,166</u>	<u>27,059</u>
Other geographical information :														
Segment assets	14,161	13,936	1,124	1,127	1,044	888	442	531	2,107	2,003	(5,304)	(6,900)	13,574	11,585
Segment liabilities	3,732	4,001	610	623	380	345	228	180	1,826	1,146	(1,644)	(2,716)	5,132	3,579
Capital expenditure	90	766	59	91	69	218	33	68	174	67	(7)	(87)	418	1,123

31. Interested person transactions

The aggregate value of interested person transactions entered into during the financial year under review is as follows :-

Name of interested person	Aggregate value of interested person transactions during the financial year under review (excluding transactions less than \$100,000 and those conducted under shareholders' mandate pursuant to Rule 920)		Aggregate value of interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	2002	2001	2002	2001
	\$'000	\$'000	\$'000	\$'000
San's Rent-A-Car Pte Ltd	-	-	2,596	2,409
	=====	=====	=====	=====

32. Financial risk management objectives and policies

The Group's exposure to risks as defined in SAS 32 Financial Instruments : Disclosure and Presentation, arising from the Group's financial instruments 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, the Group is also exposed to foreign exchange movements on its investments 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 management has a credit policy in place and exposure of credit risk is monitored on an ongoing basis. The management believes that concentration of credit risk is limited due to ongoing credit evaluations on all customers and maintaining an allowance for doubtful debts, which the management believes will adequately provide for potential credit risks. The Group has also placed its surplus funds in a number of different banks. Therefore, the Group does not expect to incur material credit losses on its risk management and financial instruments.

The carrying amounts of the Group's investments, trade and other debtors and bank balances represent the Group's maximum exposure to credit risk.

(3) *Interest rate risk*

The Group's exposure to market risk for changes in interest rates relates to the Group's long-term lease obligations. The Group obtains additional financing through hire purchase arrangements whose interest rates have been agreed. Surplus funds are placed with banks. The Group's policy is to obtain the most favourable interest rates available.

32. Financial risk (cont'd)

(4) Liquidity risk

The Group is not exposed to liquidity risk. It has surplus funds deposited with various banks and does not anticipate any problem in obtaining external funding in the foreseeable future when the need arises.

Fair values

The aggregate net fair values of financial assets of the Group that are not carried at fair value on the balance sheet are presented below. The fair value of Moneyplus Notes is estimated using discounted cash flow analysis, based on bank rates approximating 1.6% per annum. The fair value of equity shares held in Star-Travel.com Limited is based on the management accounts of the company as at 30 June 2002.

	Total carrying amount		Aggregate net fair value	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
Financial assets				
Moneyplus Notes	1,250	1,250	1,230	1,250
Equity shares – Star-Travel.com Limited	376	376	619	376
	=====	=====	=====	=====

Except as disclosed above, the fair values of the long-term other investments approximate their carrying values as they were purchased during the financial year.

The carrying values of the Group's other financial instruments approximate their fair values due to their short-term nature.

Fair value estimates are made at a specific point in time and based on relevant market information about the financial instruments. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates.

33. 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	
	2002 \$'000	2001 \$'000	2002 \$'000	2001 \$'000
<i>Subsidiary companies</i>				
Dividend income (gross)	–	–	(900)	(1,325)
Management fees	–	–	(1,027)	(626)
Accountancy fees	–	–	(3)	(3)
Consultancy fees	–	–	(240)	(90)
<i>Related companies</i>				
Sale of transportation packages	–	(2)	–	–
<i>Related parties</i>				
Lease of motor vehicles	2,547	2,361	–	–
Office rental	49	49	–	–
	=====	=====	=====	=====

34. Subsequent events

Strike-off of ATJapanese.com Pte. Ltd.

On 25 April 2002, AT Reservation Network Pte Ltd made an application to the Registry of Companies and Businesses to have its subsidiary company, ATJapanese.com Pte. Ltd., struck off its register pursuant to Section 344 of the Singapore Companies Act. On 14 November 2002, the Registry of Companies and Businesses issued a notice in the Government Gazette that at the expiration of the next three months, ATJapanese.com Pte. Ltd. would be struck off the register and dissolved.

Liquidation of PT Internet Komersial Bisnis

PT Internet Komersial Bisnis, a wholly-owned subsidiary of AT Reservation Network Pte Ltd, was placed under voluntary liquidation subsequent to year end. The shareholders discontinued the company's commercial operating activities by issuing a Notarial Deed dated 2 October 2002.

Dissolution of AT Pacific Management Inc.

This subsidiary company in the Group discontinued its commercial operations after 31 July 2002. The Affidavit of Publication of Dissolution and the Certificate of Shortening of Corporation Existence have been obtained from the Company Registration and Monitoring Department on 12 December 2002.

Share buy-back

At an Extraordinary General Meeting (EGM) held on 16 April 2002, a shareholders' mandate was granted to the Directors to repurchase its own shares from time to time of up to 10% of the issued ordinary share capital of the Group. Under the approved scheme, the maximum number of shares that can be repurchased by the Group is 15,648,030, being 10% of the issued share capital as at the date of the EGM and the Annual General Meeting held. Pursuant to this shareholders' mandate, the Company repurchased 100,000 (2001: Nil) ordinary shares of \$0.015 each on 8 October 2002 at an average price of \$0.23 per share, amounting to a total cost, including brokerage, of \$22,596. The financial effects of the shares repurchased are as follows :

- (1) Reduction in issued share capital of \$1,500 and a transfer to capital redemption reserve of an equivalent amount;
- (2) Reduction of revenue reserve of \$22,596 being the amount paid to buy back the 100,000 ordinary shares at an average price of \$0.23 per share (including brokerage of \$56); and
- (3) Payment of \$6,373 in respect of income tax paid in advance.

Increased investment in unquoted shares

Subsequent to year-end, the Company signed a memorandum of understanding with STARTV.COM Holdings Limited to increase the interest of the Company in its subsidiary company, from 12% to 19.99%. This will be effected by way of a share swap, whereby the Company shall issue to STARTV.COM Holdings Limited shares equivalent to US\$1million in value* in exchange for the additional 7.99% equity interest.

* Based on the average closing market price of the Company's shares for the 90 trading days ended 2 December 2002

34. Subsequent events (cont'd)**Allotment of shares by a subsidiary company**

On 31 December 2002, Mr. Tan Hood Ann, an Executive Director of AT-Chinese (HK) Limited, a subsidiary company in the Group, exercised his share options in relation to the company's share option scheme, amounting to 95,238 shares of HK\$1 each at par for cash. This reduced the Group's effective interest in AT-Chinese (HK) Limited from 73.04% as at 30 September 2002 to 67.20% as at the date of this report. At the date of this report, there are no options outstanding granted to Directors under the Scheme.

The Directors are of the opinion that the issuance of shares by this subsidiary company has no significant financial impact on the Group's results of the forth-coming financial year.

35. Comparative figures

Comparative figures have been reclassified to conform to current year's presentation.

Shareholders' Information

as at 15 January 2003

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Authorised share capital	:	\$6,000,000.00
Issued and fully paid-up capital	:	\$2,359,879.95
Class of shares	:	Ordinary share of \$0.015 each
Voting rights	:	One vote per share

STATISTICS OF SHAREHOLDINGS

Size of Shareholding	Number of Shareholders	%	Number of Shares	%
1 - 999	1	0.21	500	0.00
1,000 - 10,000	313	64.27	982,000	0.63
10,001 - 1,000,000	152	31.21	20,772,634	13.20
1,000,001 and above	21	4.31	135,570,166	86.17
	<u>487</u>	<u>100.00</u>	<u>157,325,300</u>	<u>100.00</u>
	=====	=====	=====	=====

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%	Deemed Interest	%
Patrick Ngiam Mia Je ^(a)	–	–	8,929,500	5.68
Boh Tuang Poh ^(b)	16,992,800	10.80	15,230,000	9.68
Yeo Wee Khim Cecilia ^(c)	8,339,800	5.30	8,467,000	5.38
Yeo Wee Hiong Simon ^(d)	5,346,366	3.40	3,500,000	2.23
San's Rent-A-Car Pte Ltd	11,052,000	7.02	3,000,000	1.91
Essex Investment (S) Pte Ltd	8,929,500	5.68	–	
STARTV ATC Holdings Limited	15,957,600	10.14	–	
Ang Hock Hai ^(e)	1,642,800	1.04	18,082,000	11.49
Yeo Swee Noy ^(f)	2,161,900	1.37	14,221,000	9.04

Notes:

- Patrick Ngiam Mia Je is deemed interested in the 8,929,500 shares held by Essex Investment (S) Pte Ltd, by virtue of Section 7 of the Companies Act, Cap. 50.
- Boh Tuang Poh is the beneficial owner of the 15,230,000 shares held by SBS Nominees Pte Ltd, Malayan Banking Berhad, Hong Leong Singapore Finance Ltd and DBS Vickers Securities (Singapore) Pte Ltd.
- Yeo Wee Khim Cecilia is the beneficial owner of the 8,467,000 shares held by Singapore Building Society Limited, Malayan Banking Berhad, Hong Leong Singapore Finance Limited, DBS Vickers Securities (Singapore) Pte Ltd and CPF trading account.
- Yeo Wee Hiong Simon is the beneficial owner of the 3,500,000 shares held by Malayan Banking Berhad and Hong Leong Singapore Finance Limited.
- Ang Hock Hai is deemed interested in all the shares held by San's Rent-A-Car Pte. Ltd, by virtue of Section 7 of the Companies Act, Cap.50, and is the beneficial owner of the 4,030,000 shares held by DBS Vickers Securities (Singapore) Pte Ltd and HL Bank Nominees (Singapore) Pte Ltd.
- Yeo Swee Noy (Ang Hock Hai's wife) is deemed interested in all the shares held by San's Rent-A-Car Pte Ltd, by virtue of Section 7 of the Companies Act, Cap.50, and is the beneficial owner of the 169,000 shares held by DBS Vickers Securities (Singapore) Pte Ltd.



Shareholders' Information as at 15 January 2003

TWENTY LARGEST SHAREHOLDERS

<u>No.</u>	<u>Name</u>	<u>No. of Shares</u>	<u>%</u>
1	Boh Tuang Poh	16,992,800	10.80
2	Startv ATC Holdings Limited	15,957,600	10.14
3	SBS Nominees Pte Ltd	15,000,000	9.53
4	Mayban Nominees (S) Pte Ltd	11,200,000	7.12
5	San's Rent-A-Car Pte Ltd	11,052,000	7.02
6	Essex Investment (S) Pte Ltd	8,929,500	5.68
7	Yeo Wee Khim Cecilia	8,339,800	5.30
8	DBS Vickers Securities (S) Pte Ltd	5,752,000	3.66
9	Hong Leong Finance Nominees Pte Ltd	5,367,000	3.41
10	Yeo Wee Hiong Simon	5,346,366	3.40
11	Fraser Securities Pte Ltd	4,722,000	3.00
12	HL Bank Nominees (S) Pte Ltd	4,500,000	2.86
13	Tsui Lam Sum	4,469,300	2.84
14	Ng Lay Hoon	3,226,200	2.05
15	HSBC Republic Bank (Suisse) SA	3,000,000	1.91
16	Ang Eu Khoon	2,900,000	1.84
17	Tan Hood Ann	2,333,400	1.48
18	Yeo Swee Noy	2,161,900	1.37
19	Ang Hock Hai	1,642,800	1.04
20	United Overseas Bank Nominees Pte Ltd	1,522,000	0.97
	Total	134,414,666	85.42

PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

26.62% of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notice of Third Annual General Meeting 89

NOTICE IS HEREBY GIVEN that the Third Annual General Meeting of **ASIATRavel.COM HOLDINGS LTD** (“the Company”) will be held at 1 Kim Seng Promenade, Great World City West Tower #13-07, Singapore 237994 on 26 February 2003 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 2002 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors retiring pursuant to the Company’s Articles of Association :-

Patrick Ngiam Mia Je	(Retiring under Article 104)	(Resolution 2)
Joanna Yeo	(Retiring under Article 104)	(Resolution 3)
Gary Alan Walrath	(Retiring under Article 108)	(Resolution 4)
Ong Nai Pew	(Retiring under Article 108)	(Resolution 5)
3. To approve the payment of Directors’ fees of S\$54,000 for the year ended 30 September 2002 (previous year: S\$54,000). **(Resolution 6)**
4. To re-appoint Messrs Ernst & Young as the Company’s Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**
5. 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:

6. **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 8)**
7. **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 9)**

8. Renewal of Shareholders' Mandate for Related Party Transactions

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

- (a) approval be given for the renewal of the mandate for the Company and its subsidiaries or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as set out in the proposed mandate with San's Rent-A-Car Pte Ltd, 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 and procedures for Interested Person Transactions as set out in the proposed mandate (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, described or expedient to give effect to the Shareholders' Mandate as they may think fit.

[See Explanatory Note (iii)]

(Resolution 10)

By Order of the Board

Joanna Yeo
Secretary
Singapore, 10 February 2003

Explanatory Notes:

- (i) The Ordinary Resolution 8 proposed in item 6 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 9 proposed in item 7 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 10 proposed in item 8 above, if passed, is to renew the mandate for transactions with Interested Persons which will, unless previously revoked or varied by the Company at a general meeting, expire at the next Annual General Meeting of the Company. Details of the proposed mandate for interested person transactions are set out in the attached "Renewal Of The Shareholders' Mandate For Transactions With Interested Persons Of The Company" document.

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.

ASIATRavel.COM HOLDINGS LTD

(Incorporated in Singapore with limited liability)

(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 Wednesday, 26 February 2003 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 2002		
2	Re-election of Patrick Ngiam Mia Je as a Director		
3	Re-election of Joanna Yeo as a Director		
4	Re-election of Gary Alan Walrath as a Director		
5	Re-election of Ong Nai Pew as a Director		
6	Approval of Directors' fees amounting to S\$54,000.00		
7	Re-appointment of Ernst & Young as Auditors		
8	Authority to allot and issue new shares		
9	Authority to allot and issue shares under the The Asiatravel.com Share Option Scheme		
10	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.
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.