

prospectus

Dated 2 April 2001

Application has been made to the Singapore Exchange Securities Trading Limited ("SGX-ST") for permission to deal in and for quotation of all the ordinary shares of \$0.015 each ("Shares") in the capital of Asiatravel.com Holdings Ltd (the "Company") already issued as well as the new Shares which are the subject of this Placement (the "Placement Shares") and the Shares which may be issued pursuant to options granted or to be granted under the AsiaTravel.com Share Option Scheme. Such permission will be granted when the Company has been admitted to the Official List of SGX-SESDAQ. Acceptance of applications will be conditional upon permission being granted to deal in and for quotation of all the issued and fully paid-up Shares as well as the Placement Shares and the Shares which may be issued pursuant to options granted or to be granted under the AsiaTravel.com Share Option Scheme. Moneys paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk and the applicant will not have any claim whatsoever against us or the Manager, if the said permission is not granted. The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of SGX-SESDAQ is not to be taken as an indication of the merits of the Placement, the Company, its subsidiaries, the Shares or the Placement Shares.

A copy of this Prospectus, together with copies of the Application Forms, has been lodged with, and registered by, the Registrar of Companies and Businesses in Singapore who takes no responsibility for its contents. **Investing in our Shares involves a high degree of risk which are described in the "Risk Factors" section beginning on page 16 of this Prospectus.**



(Incorporated in the Republic of Singapore with limited liability on 1 December 1999)

Placement of 23,500,000 new Shares comprising :

- (a) 19,250,000 Placement Shares at \$0.20 for each Placement Share; and
- (b) 4,250,000 Reserved Shares at \$0.20 for each Reserved Share reserved for the Independent Directors, employees, business associates of the Group, and those who have contributed to the success of the Group, payable in full on application.

Manager and Placement Agent



THE DEVELOPMENT BANK OF SINGAPORE LTD

Asiatravel.com Holdings Ltd

An established and profitable Internet-based hotel and travel reservation company

“GLOBAL REACH LOCAL TOUCH”

Sales and Reservation Offices ★



Core Business

Engaged in providing hotel reservation services on the Internet, complemented by a full range of travel products and services.

ASIATRAVEL.COM

AT Reservation Network

B2C Travel Services (*English language speaking travellers*)

B2C Travel Services (*Non-English language speaking travellers*)

B2B Hotel Reservation Platform (Hotelexchange.com)

E-Commerce Enabler

Property Management Platform (Hotel-Solution.com)

SH Tours

Complements our online reservations capabilities

Services 300,000 passengers annually on various Singapore Airlines and Tradewinds programs

Maintains tour desks at 19 major hotels

Operates a fleet of 26 coaches and trolley buses

Financial Highlights

(Financial year ended September 30)

profitable since inception

Key Investment Merits

Profitable Track Record

- Consecutive years of profitability since inception
- 57.7% CAGR of turnover from FY1998 to FY2000
- 158% CAGR of profit before tax from FY1998 to FY2000

Extensive Hotel Network

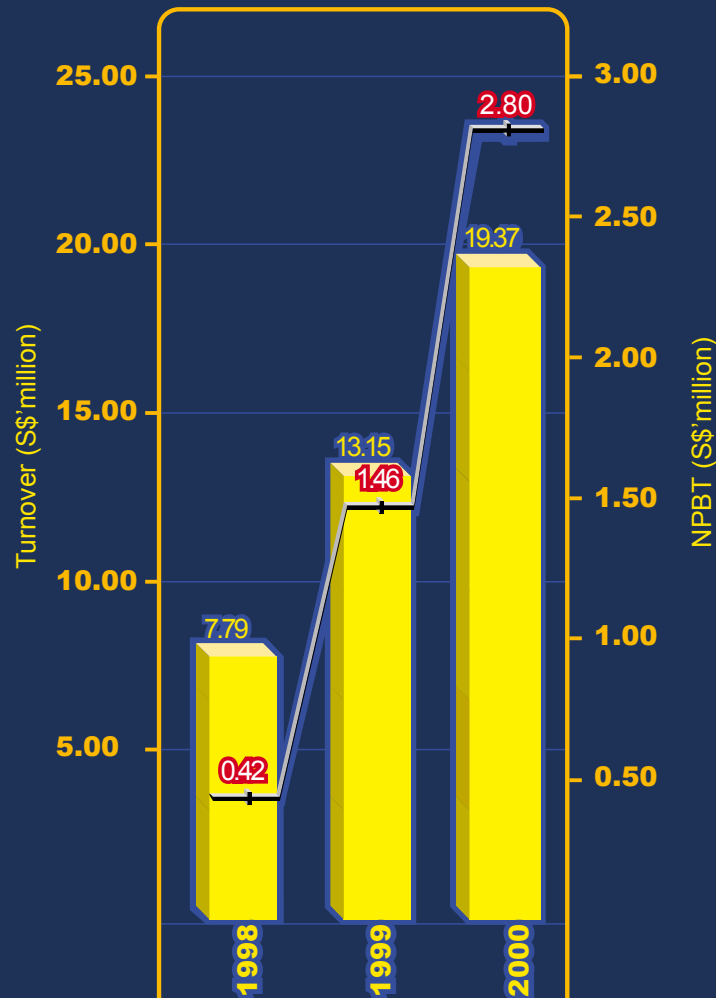
- Approximately 2,000 hotels within Asia Pacific
- 15 sales and reservation offices in 10 countries

Strong Relationships with Hotel Suppliers

- Guarantees availability of good hotel rooms during peak travel seasons
- Sold an average of 30,000 room nights per month from the 750,000 monthly visitors to our web site from 1 October 2000 to 31 January 2001

Travel Services - Ground Transport and Tours

- Ground transfers, tours and accommodations
- Event management of conventions, seminars and exhibitions



Turnover vs Profit Before Tax (S\$ million)

Year	Turnover	NPBT
1998	7.79	0.42
1999	13.15	1.46
2000	19.37	2.80

Strategy for Growth

Reinforce Relationships with Hotel Suppliers

- Participate in B2B hotel segments through Hotelexchange.com and Hotel-Solution.com

Extend Global Reach Through Adoption of New Access Channels

- Adopt multi - media channels and WAP

Increase Internet Presence

- Create destination-focused travel information web sites
- Acquire travel-related websites and content

Key Strategic Partner

- STARTV.com Holdings provides access to multi - media channels

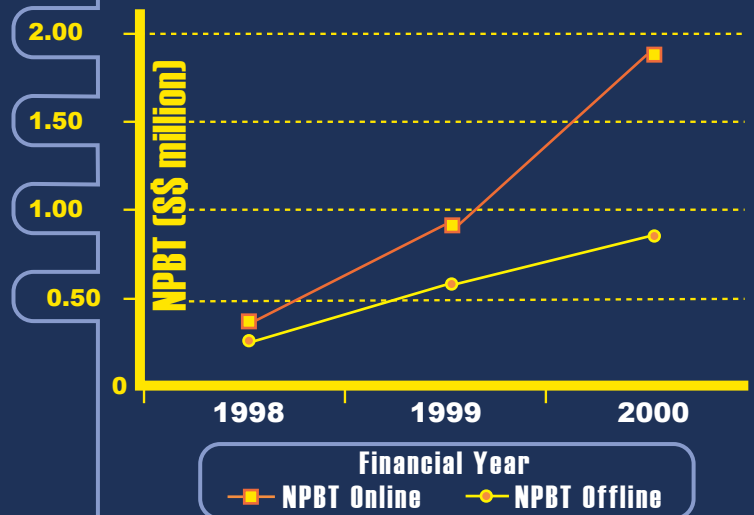
Enhance Product and Service Offering

- Increase number of destinations, offer cruises, more sightseeing tours and resort packages

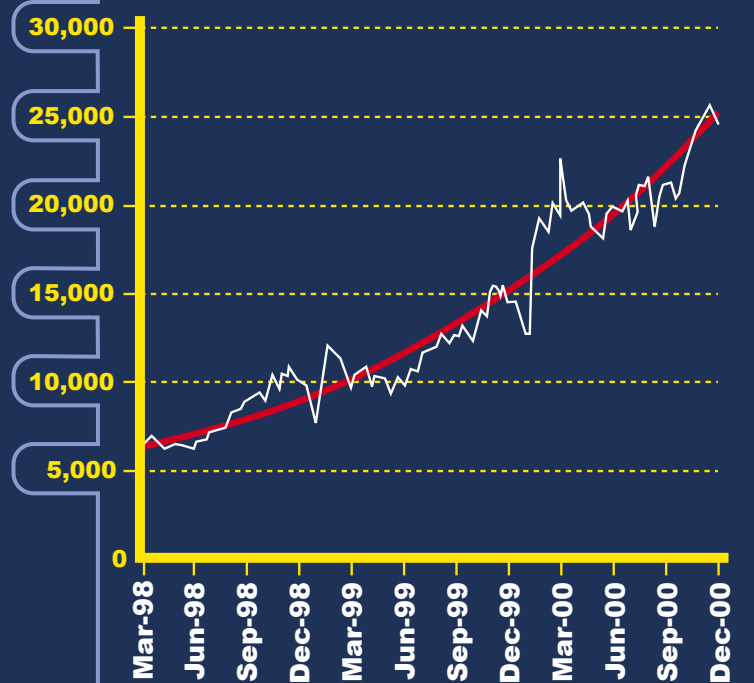
Cover New Geographical Destinations

- Cover new destinations in North Asia, Indo-China, USA and Europe
- Establish offices in USA and Europe

Power of the Net NPBT Online vs Offline



Asiatravel.com Daily Visitor Tracking from March 1998 to December 2000



Daily Visitor

Mar 98	6,500
Dec 98	7,500
Mar 99	10,800
Dec 99	12,600
Mar 00	19,800
Dec 00	25,000

CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Dr Patrick Ngiam Mia Je (<i>Non-Executive Chairman</i>) Boh Tuang Poh (<i>Chief Executive Officer</i>) Ang Eu Khoon (<i>Executive Director</i>) Joanna Yeo (<i>Executive Director</i>) Lim Chuan Poh (<i>Independent Director</i>) Khoo Ho Tong (<i>Independent Director</i>)
COMPANY SECRETARIES	:	Joanna Yeo, CPA Abdul Jabbar Bin Karam Din, LLB
REGISTERED OFFICE	:	1 Kim Seng Promenade Great World City West Tower #13-07 Singapore 237994
REGISTRAR AND SHARE TRANSFER OFFICE	:	Lim Associates (Pte) Ltd 10 Collyer Quay #19-08 Ocean Building Singapore 049315
MANAGER AND PLACEMENT AGENT	:	The Development Bank of Singapore Ltd 6 Shenton Way DBS Building Tower One Singapore 068809
AUDITORS AND REPORTING ACCOUNTANTS	:	Ernst & Young Certified Public Accountants 10 Collyer Quay #21-01 Ocean Building Singapore 049315
SOLICITORS TO THE PLACEMENT	:	Rajah & Tann 4 Battery Road #26-01 Bank of China Building Singapore 049908
PRINCIPAL BANKER	:	The Development Bank of Singapore Ltd 6 Shenton Way DBS Building Tower One Singapore 068809

DEFINITIONS

In this Prospectus and the accompanying Application Forms, the following key words or expressions shall have the following meanings:

Companies within the Group

“Asiatravel.com” or the “Company”	:	Asiatravel.com Holdings Ltd
“Asia Travel Network (Australia)”	:	Asia Travel Network Pty Ltd
“Asia Travel Network (Hong Kong)”	:	Asia Travel Network Limited
“Asiatravel.com (US)”	:	Asiatravel.com Inc.
“Asiatravel Vietnam”	:	Asiatravel Vietnam (S) Pte Ltd
“AT E-Commerce (Thailand)”	:	AT E-Commerce Co., Ltd.
“AT E-Commerce (Philippines)”	:	AT E-Commerce, Inc.
“ATJapanese.com”	:	ATJapanese.com Pte. Ltd.
“AT Network (Thailand)”	:	AT Network Co., Ltd.
“AT Philippines”	:	AT Phil., Inc.
“AT Reservation Network”	:	AT Reservation Network Pte Ltd
“ATSpanish.com”	:	ATSpanish.com Pte. Ltd.
“AT-Chinese (HK)”	:	AT-Chinese (HK) Limited
“AT-Chinese.com”	:	AT-Chinese.com Pte. Ltd.
“Hotelexchange.com”	:	Hotelexchange.com Pte. Ltd.
“Hotel-Solution.com”	:	Hotel-Solution.com Pte. Ltd.
“Middle East Asia Tours”	:	Middle East Asia Tours LLC
“PT Asia”	:	PT Asia Travelindo Nusantara
“PT Internet”	:	PT Internet Komersial Bisnis
“SH Tours”	:	S.H. Tours Pte. Ltd.

Other Companies and Organisations

“CDP”	:	The Central Depository (Pte) Limited
“DBS Bank” or “Manager” or “Placement Agent”	:	The Development Bank of Singapore Ltd
“HRN”	:	Hotel Reservations Network, Inc.

“NASDAQ”	:	National Association of Securities Dealers Automated Quotation System
“News Corporation”	:	The News Corporation Limited
“San’s Rent-A-Car”	:	San’s Rent-A-Car Pte Ltd
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SGX-SESDAQ”	:	Stock Exchange of Singapore Dealing and Automated Quotation System
“Singapore Airlines”	:	Singapore Airlines Limited
“STAR-Travel.com”	:	STAR-Travel.com Limited
“STARTV.com Holdings”	:	STARTV.com Holdings Limited
“STARTV ATC”	:	STARTV ATC Holding Limited
“STISC”	:	Shanghai Travel Information Service Centre
“Tradewinds”	:	Tradewinds Tours & Travel Pte Ltd
“Wapme”	:	Wapme Systems AG

General

“Act” or “Companies Act”	:	The Companies Act, Chapter 50 of Singapore
“Application Forms”	:	Printed application forms to be used for the purpose of the Placement and which form part of this Prospectus
“Application List”	:	List of applications for the subscription of the Placement Shares
“Articles of Association”	:	Articles of Association of the Company
“Board”	:	Board of Directors of the Company
“Directors”	:	The directors of the Company as at the date of this Prospectus
“EPS”	:	Earnings per Share
“Executive Officers”	:	Executive officers of the Group, whose names and details are set out in the section “Directors, Management and Staff” on pages 65 to 68 of this Prospectus
“FY”	:	Financial year ended or ending 30 September
“Group”	:	The Company and its subsidiaries
“Issue Price”	:	\$0.20 for each Placement Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Memorandum”	:	Memorandum of Association of the Company
“NTA”	:	Net tangible assets

“Placement” or “Placement Tranche”	:	The placement by the Placement Agent on behalf of the Company of the Placement Shares for subscription at the Issue Price, subject to and on the terms and conditions of this Prospectus
“Placement Shares”	:	The 23,500,000 new Shares (including the Reserved Shares) which are the subject of the Placement
“PRC”	:	People’s Republic of China
“Receiving Bank”	:	DBS Bank
“Reserved Shares”	:	4,250,000 Placement Shares reserved for the Independent Directors, employees, business associates of the Group, and those who have contributed to the success of the Group
“Restructuring Exercise”	:	The restructuring exercise undertaken by the Group in connection with the Placement, more fully described on pages 81 and 82 of this Prospectus
“Securities Account”	:	A securities account maintained by a depositor with CDP
“Shares”	:	Ordinary shares of par value \$0.015 each in the capital of the Company
“Share Registrar”	:	Lim Associates (Pte) Ltd
“sq ft”	:	Square feet
“sq m”	:	Square metres
“VP”	:	Vice-President
“US” or “USA”	:	The United States of America
“%” or “per cent.”	:	Percentage or per centum

Currencies

“\$” or “S\$” and “cents”	:	Singapore dollars and cents respectively
“A\$” or “Aus\$”	:	Australia dollars
“Baht”	:	Thai Baht
“Dhs”	:	Dirhams
“HKD”	:	Hong Kong dollars
“Peso” or “PhP”	:	Philippine Peso
“Rp”	:	Indonesian Rupiah
“US\$” or “USD”	:	United States dollars

The terms “depositor”, “depository agent” and “depository register” shall have the meanings ascribed to them respectively in Section 130A of the Act.

Any discrepancies in tables included herein between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

Unless otherwise indicated, any reference in this Prospectus and the Application Forms to any legislation or enactment is a reference to that legislation or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or any statutory modification thereof or the SGX-ST Listing Manual and used in this Prospectus and the Application Forms shall have the meaning assigned to it under the Companies Act or any statutory modification thereof or the SGX-ST Listing Manual, as the case may be.

Any reference in this Prospectus and the Application Forms to Shares being allotted to an applicant includes allotment to CDP for the account of that applicant.

Any reference to a time and date in this Prospectus shall be a reference to Singapore time and date unless otherwise stated.

GLOSSARY OF TECHNICAL TERMS

“application service provider”	:	Third-party entity that manage and distribute software-based services and solutions to customers across a wide area network from a central data centre.
“B2B”	:	An abbreviation for Business-To-Business, which denotes the exchange, sale or purchase of products, services or information between business enterprises.
“B2C”	:	An abbreviation for Business-To-Consumer, which denotes the exchange, sale or purchase of products, services or information between business enterprises and consumers.
“broadband”	:	A type of high-speed data transmission in which a single medium can carry several channels simultaneously.
“content”	:	Information contained in a website.
“e-”	:	A pre-fix commonly used to denote the use of the Internet or other electronic media in the conduct of different areas of business.
“e-business”	:	The conduct of business on the Internet, not only for the purchase and sale of goods and services, but also for servicing customers and collaborating with business partners and carrying out other ancillary activities such as logistics and market research.
“e-commerce” or “electronic commerce”	:	Commercial transactions based on electronic transmission of data over communication networks. These commercial transactions may be either B2B or B2C.
“in-bound to Asia”	:	Travellers from countries outside Asia visiting Asia.
“Internet”	:	An open global network of inter-connected public and private computer networks that utilise a common communications protocol.
“intra-Asia out-bound”	:	Travellers from countries within Asia travelling around Asia.
“offline”	:	A term to denote a lack of connection to the Internet. We also use “offline” to denote our businesses that do not use the Internet as a channel for delivering our services.
“online”	:	A term to denote connection to the Internet. We also use “online” to denote our businesses that use Internet as a channel for delivering our services.
“PC”	:	An abbreviation for Personal Computer.
“PDA”	:	An abbreviation for Personal Digital Assistant.
“portal”	:	A principal entry point and gateway for surfing the Internet that provides useful Web-related services and links.
“Property Management System”	:	A software suite for managing a hotel that integrates the front office, inventory, purchasing, point of sales, accounts, personnel and marketing functions.

- “scalability” : A measure of how well a hardware or software system can adapt to increased demand without any deterioration of the existing level or quality of service.
- “unique visitor” : A visitor who visits our websites during a particular period (e.g. a day, week or month). A visitor who visits our websites more than once during the same period will still be counted as one visitor.
- “WAP” : Wireless Application Protocol, a wireless communication standard to support voice and data transmission.
- “Web” or “World Wide Web” or “www” : A network of computer servers that uses a special communications protocol to link different servers throughout the Internet and permits communication of graphics, video and sound.
- “web browser” or “browser” : A software application used to locate and display Web pages on the Internet. The two most popular browsers are Microsoft Internet Explorer and Netscape Navigator. Both of these are graphical browsers, which means that they can display graphics as well as text. In addition, most modern browsers can present multi-media information, including sound and video.
- “website” : A group of files on the world wide web, written in programming language and readable by a browser over the Internet using a communications protocol.

DETAILS OF THE LISTING

LISTING ON THE SGX-SESDAQ

Application has been made to the SGX-ST for permission to deal in and for quotation of all the Shares already issued, the Placement Shares as well as the Shares which may be issued pursuant to options granted or to be granted under the Asiatravel.com Share Option Scheme on the Official List of SGX-SESDAQ. Such permission will be granted when the Company has been admitted to the Official List of SGX-SESDAQ. Acceptance of applications will be conditional upon permission being granted to deal in and for quotation of all the issued Shares, the Placement Shares as well as the Shares which may be issued pursuant to options granted or to be granted under the Asiatravel.com Share Option Scheme. Moneys paid in respect of any application accepted will be returned, without interest or any share of revenue or other benefit arising therefrom and at the applicant's own risk, if the said permission is not granted.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Prospectus. Admission to the Official List of SGX-SESDAQ is not to be taken as an indication of the merits of the Placement, the Company, its subsidiaries or our Shares.

The Directors individually and collectively accept full responsibility for the accuracy of the information given in this Prospectus and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, there are no other material facts the omission of which would make any statement in this Prospectus misleading and this Prospectus constitutes full and true disclosure of all material facts about the Placement, the Company and its subsidiaries.

No person is authorised to give any information or to make any representation not contained in this Prospectus in connection with the Placement and, if given or made, such information or representation must not be relied upon as having been authorised by the Company or the Manager. Neither the delivery of this Prospectus and the Application Forms nor the Placement shall, under any circumstances, constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Company or the Group or any statement of fact or information contained in this Prospectus since the date of this Prospectus. Where such changes occur, the Company may lodge a supplementary or replacement Prospectus with the Registrar of Companies and Businesses in Singapore and make an announcement of the same to the SGX-ST and will comply with the requirements of the Act. All applicants should take note of any such announcement and, upon release of such an announcement, shall be deemed to have notice of such changes. Save as expressly stated in this Prospectus, nothing herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company or the Group.

This Prospectus has been prepared solely for the purpose of the Placement and may not be relied upon by any persons other than the applicants in connection with their application for the Placement Shares or for any other purpose. This Prospectus does not constitute an offer of, or invitation or solicitation to subscribe for and/or to purchase, the Placement Shares in any jurisdiction in which such offer or invitation or solicitation is unauthorised or unlawful nor does it constitute an offer or invitation or solicitation to any person to whom it is unlawful to make such offer or invitation or solicitation.

The Application List will open at 10:00 a.m. on 10 April 2001 and will remain open until 12.00 noon on the same day or for such further period or periods as the Directors may, in their absolute discretion decide, subject to any limitation under all applicable laws.

INDICATIVE TIMETABLE FOR LISTING

In accordance with the SGX-ST's News Release of 28 May 1993 on the trading of initial public offering shares on a "when issued" basis, an indicative timetable is set out below for the reference of applicants:

Indicative date/time	Event
10 April 2001, 12.00 noon	Closing of Application
11 April 2001, 9.00 a.m.	Commence trading on a "when issued" basis
23 April 2001	Last day of trading on a "when issued" basis
24 April 2001, 9.00 a.m.	Commence trading on a "ready" basis
27 April 2001	Settlement date for all trades done on a "when issued" basis and for all trades done on a "ready" basis on 24 April 2001

The above timetable is only indicative as it assumes that the closing date of the Application List is 10 April 2001, the date of admission of the Company to the Official List of the SGX-SESDAQ will be 11 April 2001, the SGX-ST's shareholding spread requirement will be complied with and the Placement Shares will be issued and fully paid-up prior to 11 April 2001. The actual date on which the Shares will commence trading on a "when issued" basis will be announced when it is confirmed by the SGX-ST.

The above timetable and procedure may be subject to such modification as the SGX-ST may, in its discretion decide, including the decision to permit trading on a "when issued" basis and the commencement date of such trading. **The commencement of trading on a "when issued" basis will be entirely at the discretion of the SGX-ST. All persons trading in the Shares on a "when issued" basis do so at their own risk. In particular, persons trading in the Shares before their Securities Accounts are credited with the relevant number of Shares do so at the risk of selling Shares which neither they nor their nominees, if applicable, have been allotted or are otherwise beneficially entitled to. Such persons are also exposed to the risk of having to cover their net sell positions earlier if "when issued" trading ends sooner than the indicative date mentioned above. Persons who have a net sell position traded on a "when issued" basis should close their position on or before the first day of trading on a "ready" basis.**

In the event of any changes in the closure of the Application List or the time period during which the Placement is opened, we will publicly announce the same:

- (i) through a MASNET announcement to be posted on the Internet at the SGX-ST's website <http://www.singaporeexchange.com>; and
- (ii) in a local English newspaper, namely, The Straits Times.

Investors should consult the SGX-ST announcement on the "ready" listing date on the Internet (at the SGX-ST website <http://www.singaporeexchange.com>), INTV or the newspapers, or check with their brokers on the date on which trading on a "ready" basis will commence.

PROSPECTUS SUMMARY

The following summary is qualified in its entirety by, and is subject to, the more detailed information and financial statements (including the notes thereto) appearing elsewhere in this Prospectus. Terms defined elsewhere in this Prospectus have the same meanings when used herein. Prospective investors should carefully consider all the information presented in this Prospectus, particularly the matters set out under "Risks Factors" before making an investment decision.

OUR BUSINESS

We are an established (since 1995) and profitable Internet-based hotel and travel reservation company with an Asia Pacific network of 15 customer service and business development centres. We currently specialise in long-haul in-bound travel to Asia originating mainly from the USA and Europe.

Through our websites, our customers can make online reservations for (a) hotel rooms from approximately 2,000 hotels situated in 22 countries in the Asia Pacific region (as at 28 February 2001) and (b) other travel products and services including air ticketing, ground transport and tour arrangements. Recognising the importance of having local offices to facilitate better customer service and to strengthen our relationships with our hotel suppliers, we are setting up offices in USA and Europe to position ourselves as a player with "Global Reach Local Touch". In addition, we operate ground transfers and tour arrangements in Singapore through our in-house division, which also handles various Singapore Airlines and Tradewinds tour programs.

Our websites provide an important interface for our customers to access our services. Visitors to our websites have increased from approximately 7,000 per day in January 1998 to approximately 25,000 per day in January 2001. In tandem with the increase in visitors to our websites, our sales of room nights per month have also increased from 13,000 room nights per month in January 1998 to 30,000 room nights per month in January 2001.

Reflecting the increase in sales of room nights per month, our Group turnover has grown from approximately \$7 million in FY1997 to approximately \$13 million in FY1999, representing a compounded annual growth rate of 36%. In FY2000 we achieved a Group turnover of \$19.4 million, which represented approximately 47% increase over FY1999. Our online bookings accounted for \$0.3 million, \$0.9 million and \$1.9 million of our Group profit before tax in FY1998, FY1999 and FY2000 respectively. This corresponded to 63.3%, 62.1% and 68.4% of our Group profit before tax in FY1998, FY1999 and FY2000 respectively.

In recognition of our innovative approach to using the Internet to add value to our customers, we were awarded second position in the inaugural Enterprise 50 dotcom award in November 2000. The competition is jointly organised by Anderson Consulting, The Business Times and the Economic Development Board to identify Singapore's most innovative and enterprising dotcoms.

OUR BUSINESS OPPORTUNITIES

Our current revenue is derived from providing hotel and travel reservation services through our B2C websites on the Internet and from our travel service division in Singapore. To broaden our revenue base and expand into B2B e-business, we will explore and embark on new business opportunities including the following:

(a) Broaden Revenue Base

To broaden our revenue base, our future plans include the following:

(i) Extending Our Global Reach

We will continue to explore opportunities to extend our global reach through new access channels such as multi-media channels and WAP. In this regard, we have signed an agreement on 3 March 2001 with STARTV.com Holdings and STAR-Travel.com to acquire a 12% equity interest in STAR-Travel.com, which will focus on developing and deploying multi-media travel contents and operate a multi-media travel website www.StarAsiaTravel.com, in exchange for 12% of our Shares.

STAR-Travel.com has an existing library of travel-related audio-visual materials from which it can develop such multi-media travel content. With this travel content, STAR-Travel.com intends to explore opportunities of co-operating with multi-media platform providers and operators to distribute www.StarAsiaTravel.com branded contents. We will also be exploring other alliances and strategic tie-ups with STAR's related companies.

On 17 July 2000, we entered into an agreement with Wapme to jointly develop a WAP based travel portal. Please refer to the section "Our Future Plans" on pages 51 to 54 of this Prospectus for more details.

(ii) Covering New Destinations

Given that the majority of our customers are travellers from USA and Europe, we intend to cover new destinations that are popular with these groups of travellers. In line with this strategy, we would cover new destinations in North Asia, Indo-China, USA and Europe in 2001.

The wider geographical coverage into North Asia is necessary because our customers from USA and Europe normally make multi-destination stop-overs in Asia. The wider choices of Asian destinations will help to attract more visitors to our websites and improve our rate of converting these visitors into customers.

To leverage on our clientele base from USA and Europe, we intend to cover new destinations in USA and Europe to cross-sell our services to these groups of customers. We believe the demand for such services will come from cross-Atlantic travel between USA and Europe and domestic travel within USA or Europe. We intend to establish offices in USA and Europe to better serve our customers and strengthen our relationships with the hotel suppliers there.

We entered into a reciprocal affiliated agreement with HRN on 8 March 2001 in which we agreed to market for sale each other's hotel and lodging products through the establishment of websites dedicated for this purpose. Under the agreement, a commission of 5% of the total amount charged by either party is payable to the other if the customer books his accommodation through the relevant party's dedicated website.

HRN is based in Dallas, USA and is an online consolidator of hotel accommodations. They provide their services through their websites, affiliated websites and their toll-free call centre. HRN is publicly listed on NASDAQ and has a current market capitalisation of USD1.4 billion as of 15 March 2001.

(b) Expand into B2B e-business

To leverage on our existing relationships with hotel suppliers, we have expanded into B2B e-business for hotel room reservations through Hotelexchange.com, an online hotel room booking engine for travel agents, in FY2001. In FY2002, we intend to provide our hotel suppliers with a fully-integrated web-based Property Management System to reinforce our relationships with our hotel suppliers through Hotel-Solution.com, a hotel management software suite that integrates the front office and backend functions of hotels. With the launch of these two new services, our online revenue stream will be derived from three main segments: (a) B2C hotel and travel reservation service (b) B2B hotel room reservations system and (c) Web-based Property Management System.

OUR COMPETITIVE STRENGTHS

- **Good branding.** We enjoy visibility in the Asian in-bound market among our customers and hoteliers, and have built up credibility over our five years of operations. Our ability to reach out to customers globally through the Internet gives us credibility among our hotel suppliers. According to a survey that we conducted in February 2000 among 50 of our hotel suppliers, room reservations through our websites represented 70% to 90% of their total online room reservations. Our arrangements with our hotel suppliers are non-exclusive in that they allow us the flexibility to work with any hotel supplier. We are the only Asian travel site consistently ranked by the 100hot.com (www.100hot/travel) website travel category to be among the world's top travel sites since 1997 based on a sampling of unique visitors to our websites. 100hot.com is owned by Infospace, Inc., a NASDAQ-listed company. We believe that 100hot.com is one of the few companies that measures Internet traffic of particular industries on a global basis. We are also featured in leading search engines such as Yahoo, Lycos, AOL, Excite and Alta Vista which facilitate access by potential travellers to our websites.
- **Strong relationships with hotel suppliers.** Due to our regional presence and our ability to reach out to customers globally via the Internet, we have built a good reputation and strong relationship with our hotel suppliers. Therefore, we are able to obtain direct and wholesale contracts at competitive terms that guarantee the availability of good hotel rooms during peak travel seasons.
- **Regional network and reach.** We believe that localisation facilitates better understanding of a geographical area. Therefore, we have established 15 sales and reservation offices in Thailand, Singapore, Hong Kong, Philippines, UAE, Indonesia, PRC, Vietnam, Guam and Australia to develop stronger relationships with our hotel suppliers to obtain better contract terms as well as to serve our customers better. Our proximity to hotel and transport suppliers also enable us to mount tactical sales campaigns to capture the portion of the incoming traffic to Asia which embarks on impromptu trips within Asia.
- **First mover's advantage.** As one of the first Internet hotel reservation sites in Asia, we have the advantage of an established track record since September 1995. We track page-views on a daily basis and our websites have been receiving on the average 25,000 visitors and 100,000 page-views per day since January 2001. This high traffic is achieved without significant paid advertisement. Our high website traffic leads to increased reservations, which enable us to negotiate better room rates. This in turn attracts more visitors to our websites and improves our sales.

- **Ground Handling.** In Singapore, we have a ground handling division, SH Tours, which complements our online reservation service by maintaining tour desks at 19 major hotels and conducting sightseeing tours in Singapore. SH Tours also operates a fleet of 26 coaches and trolley buses. Currently, SH Tours services approximately 300,000 passengers annually on various Singapore Airlines and Tradewinds tour programs in Singapore.
- **Customer relationship management.** We place a strong emphasis on customer relationship management and this has earned us compliments from satisfied customers. We employ a team of 44 dedicated and professionally-trained travel consultants, made up mainly of English-speaking executives who are familiar with the local travel market. These travel consultants answer customer queries and offer advice usually within an hour by e-mail or phone during operation hours. Customers can also obtain instant online confirmations of their hotel room reservations. To better serve our customers, we have also set up multi-lingual sites to cater to the needs of website visitors from different countries. Our Chinese, Spanish and Japanese websites have been operational since September 2000.
- **All our proprietary software is developed in-house.** We have an in-house team of 37 programmers with the technical expertise and experience to develop e-commerce applications. Therefore, we are not dependent on third party software vendors. We offer advice on both the business and technology aspects of e-commerce. For the technology aspect, we outsource core technology requirements such as web hosting and payment gateways, either directly to a bank or to a third party. We focus on web and database design, as well as the back-end software support requirements. Aside from developing in-house software applications such as Hotelexchange.com and Fly-asia.com, we also help companies engage in any Internet business by designing customised e-commerce applications for them.

OUR STRATEGY

The key elements of our strategy include:

- reinforcing our relationships with our hotel suppliers;
- extending our global reach through adoption of new access channels such as multi-media channels and WAP;
- increasing our Internet presence through the creation of more websites;
- developing strategic partnerships and marketing alliances with partners such as HRN, STARTV.com Holdings, STAR-Travel.com, Wapme, STISC and Tradewinds;
- increasing and enhancing our range of products and services;
- setting up offices and strengthening our presence in USA and Europe;
- increasing our market share in the intra-Asia out-bound travel;
- acquiring travel-related websites and their content; and
- expanding into B2B e-commerce services via Hotelexchange.com and Hotel-Solution.com.

THE PLACEMENT

- Issue Size : 23,500,000 Placement Shares (including the Reserved Shares) which will, upon issue and registration in the name of CDP or its nominee, rank *pari passu* in all respects with the then existing issued Shares.
- Issue Price : \$0.20 for each Placement Share.
- Purpose of the Placement : Our Directors consider that the listing of our Company and quotation of our Shares on the SGX-SESDAQ will enhance our public image and enable us to tap the capital markets for the expansion of our business. In particular, the Placement will facilitate the implementation of our strategy described under the section “Our Strategy” on page 49 of this Prospectus. The Placement will also provide members of the public, our management, staff and business associates an opportunity to participate in our equity.
- Use of Proceeds : The net proceeds from the Placement is estimated to be approximately \$2.7 million after deducting the Placement expenses of approximately \$2.0 million. We intend to utilise the net proceeds of the Placement for the following purposes:
- (i) approximately \$0.2 million to establish offices in USA and Europe in FY2001;
 - (ii) approximately \$2.0 million to lease and refurbish a hotel in Hong Kong in FY2001;
 - (iii) approximately \$0.2 million to promote Hotelexchange.com to USA and Europe markets in FY2001;
 - (iv) approximately \$0.2 million to develop and promote our Hotel-Solution.com software in FY2002; and
 - (v) the balance of approximately \$0.1 million for our general working capital.
- In respect of (ii), we are currently reviewing a lease proposal from a Hong Kong hotel. In the event that we are unable to reach an agreement with the Hong Kong hotel, the proceeds allocated to this use will be redeployed to be used for our general working capital.
- Pending the deployment of the net proceeds for the purposes mentioned above, the proceeds from the Placement may be placed in deposits with banks or financial institutions or invested in short term money market instruments, or used as working capital, as our Directors may at their absolute discretion decide.
- Reserved Shares : 4,250,000 Reserved Shares will be reserved for the Independent Directors, employees, business associates of our Group, and those who have contributed to our success. In the event that any of the Reserved Shares are not taken up, they will be made available to satisfy applications made for the Placement Shares.

Listing Status

: The Shares will be quoted on SGX-SESDAQ, subject to admission of the Company to the Official List of SGX-SESDAQ and permission for dealing in and for quotation of the Shares being granted by the SGX-ST.

RISK FACTORS

Potential investors should carefully evaluate each of the following risk factors and all of the other information set forth in this Prospectus before deciding to invest in our Shares. Some of the following risk factors relate principally to the industry in which we operate and our business in general. Other considerations relate principally to general economic and political conditions and the securities market and ownership of our Shares, including possible future sales of our Shares.

If any of the following considerations and uncertainties develop into actual events, our business, financial conditions or results of operations may be materially and adversely affected. In such case, the trading price of our Shares could decline due to any of these considerations, and you may lose all or part of your investment.

RISKS RELATING TO OUR COMPANY OR THE INDUSTRY

Our success depends on our arrangements with our hotel suppliers

Our ability to contract with hotel suppliers for competitive rates and guaranteed availability will affect our business. We rely on our hotel suppliers to provide us with rooms at discounted prices. However, our contracts with our hotel suppliers are not exclusive. Although many contracts are open-ended unless either party chooses to terminate them, some of these contracts must be renewed annually. There have been previous occasions in the past when hotels have reduced our allotment of rooms or renewed contracts with us on less favourable terms and this may occur again in the future. Such occurrence in the past did not have a material impact on our financial performance as only a small number of hotels modify their contracts with us. However, we cannot assure you that such similar incidents will not affect us materially in the future. If we are unable to maintain satisfactory relationships with our existing hotel suppliers or if our hotel suppliers establish similar or more favourable relationships with our competitors, our operating results will be adversely affected. Furthermore, in order to maintain and expand our business, we will need to establish new arrangements with hotels in our existing markets and in new markets. If we fail to establish new arrangements with hotels, this will affect our growth prospects and future expansion.

Our operating results fluctuate due to the seasonal nature of the travel industry

Our business is seasonal and our operating results fluctuate throughout the year. Although, we have operations in many countries and we offer multiple travel destinations, in the past the seasonal effect still resulted in higher sales and gross profits in the second half of our financial year between April and September. Please refer to the section "Revenue Streams" on pages 24 to 26 of this Prospectus for more details. Although the seasonal sales cycle is fairly predictable, our operating results may vary from year to year, depending upon changes in the economy or other factors affecting the travel industry generally. These fluctuations can be unpredictable and may cause our operating results to fluctuate.

Our operating results may also fluctuate because of our reliance on leisure and business travellers, who tend to travel less during general economic downturns. Furthermore, other unpredictable events such as bad weather conditions or natural disasters will directly affect leisure travel.

We operate internationally and are therefore affected by economic, legal and political conditions in other countries

Our principal customers are located in the USA, Europe and Asia Pacific. We have various operations in Asia Pacific. As a result, we are affected by the economic, legal and political conditions in these countries, including:

- fluctuations in the value of currencies;
- changes in labour conditions;
- burden and costs of compliance with a variety of foreign laws;
- political and economic instability;
- increases in duties and taxation;
- imposition of restrictions on currency conversion or the transfer of funds;
- expropriation or nationalisation of private enterprises and confiscation of private property; and
- reversal of current policies (including favourable tax and lending policies) encouraging foreign investment or foreign trade by our host countries.

Our financial condition and operations will be materially affected by any adverse changes in the factors stated above.

The travel industry is highly competitive

The travel industry has a large number of players and is subject to rapid change and intense competition. We compete with other firms that have longer operating histories, larger client bases, larger teams of professional staff, greater brand recognition and greater financial, technical, marketing and other resources. We may be at a disadvantage in responding to our competitors' pricing strategies, technological advances, advertising campaigns, strategic partnerships and other initiatives.

Specifically, we compete with other wholesalers of hotel accommodations, online travel reservation services and entities that maintain travel-related websites. We also compete with traditional travel agencies and hotels. Currently, very few customers deal directly with the hotels. Most customers book hotel rooms through travel agents or reservation services. We may face more competition from hotels should they offer better room rates to travel agents or directly to consumers through their own websites. Hotels and travel agents may also continue to rely upon central reservation systems instead of using our online booking system. In addition, the proliferation of special rate offers by hotels may affect the rates that we can charge our customers, which would adversely affect our profit margin and, in turn, our business performance. Please refer to the section "Competition" on page 55 of this Prospectus for a discussion of our competition.

Our ability to attract and retain key employees is important to our success and our future growth

We depend substantially on the continued services and performance of our senior management, particularly Mr Boh Tuang Poh, our Chief Executive Officer, Mr Ang Eu Khoon, our Executive Director, Ms Joanna Yeo, our Chief Financial Officer, Mr Hartono Liman, VP of Hotelexchange.com and Hotel-Solution.com, our regional VPs comprising Ms Yeo Wee Khim Cecilia, Mr Tsui Lam Sum, Mr Yeo Wee Hiong Simon, Mr Liu Soon Leong and Mr Tan Hood Ann. The loss of the services of any of these personnel or other key employees could be detrimental to the management of our business and our operating results.

Our future success also depends on our ability to identify, attract, hire, train, retain and motivate other highly skilled technical, managerial, marketing and customer service personnel. Competition for such personnel is intense. We may not be able to attract, assimilate or retain sufficiently qualified personnel. This failure could adversely affect our business and impair our growth strategy.

We are dependent on computer and online security systems

We need to transmit confidential information, such as customers' credit card numbers, over public networks securely to maintain consumer and supplier confidence. Although we employ measures such as encryption technology, our current security measures may not be adequate. Any party who can circumvent our security system may be able to steal or misuse this information or disrupt our operations. Security breaches could also expose us to a risk of loss or litigation and possible liability for failing to secure confidential customer or supplier information. Our reputation will be adversely affected if our security measures are compromised.

We are liable for any fraudulent online credit card charges committed by our customers

Currently, we transact approximately \$1 million worth of business per month under the prepayment arrangement through online charging of credit cards. We face the risk of bogus customers using credit cards not belonging to them to reserve a hotel room and other travel services. When this happens, we would suffer losses as we would not receive payments from these bogus customers, while we would have to pay hotels and other travel services providers for the charges incurred.

Any significant increase of such frauds may adversely affect our profitability and our business.

We may be unable to protect our intellectual property rights, which could impede our success

We regard our domain names, trade marks and other similar intellectual property as critical to our success. Unauthorised use of our intellectual property by third parties may damage our brand and name recognition. We currently rely on a combination of laws and contractual restrictions to establish and protect our intellectual property rights. However, in Internet-related businesses, the laws on validity, enforceability and protection of intellectual property rights are still developing and evolving and much uncertainty therefore remains. Our ability to protect these rights are limited and any failure in this regard could materially and adversely affect our business and result in the erosion of our brand name. Please refer to section "Intellectual Property" on page 56 of this Prospectus for further information.

The enactment of new Internet rules and regulations may hamper our services and increase our costs of doing business

The enactment of laws and regulations relating to the Internet such as collection of and use of data from website visitors and related privacy issues, pricing, content, copyrights, online gambling, distribution and the quality of goods and services may adversely affect our business. This is because our business relies to a substantial extent on online transactions and if regulations on these issues are enacted in the various jurisdictions, we will have to comply with such new rules, which may increase our cost of operations and restrict our service activities.

Our business may be adversely affected by the loss of our travel agent licences

Currently, we have licences to operate as travel agents in Singapore, Thailand, Dubai, Australia, Indonesia and the Philippines. In the event that we lose these licences, our ability to operate as a travel agency to provide ground handling and tour operations would be hampered, thereby adversely affecting our profitability. Most of our offices have travel agent licences to facilitate the operation of offline ground handling services. The loss of such licences could have an adverse effect on the operation of such services.

We rely on third party systems and services and our business may suffer if they become unavailable in the future or if they no longer offer quality performance

We rely on third-party computer systems and third-party service providers. For example, we are dependent on Citibank and Siam Commercial Bank to process payments for our transactions. Our websites are hosted with two USA companies, Colossus, Inc. in Reno, Nevada and Verio Inc. in San Jose, California. Any interruption or termination in these third-party services or a deterioration in their performance could seriously disrupt our business and negatively impact our operating results. If our arrangements with any of these third parties are terminated, we may have to renegotiate the commercial terms, which may adversely affect our business.

The loss of material contracts may have a material impact on our operating result

Tradewinds, a subsidiary of Singapore Airlines, currently contracts with our ground handling unit SH Tours for the supply of transport and ground hosting. While a review of the contract is not due until 31 March 2002, the loss of the Tradewinds contract will directly affect SH Tours' profitability. Tradewinds holds the right of review of our contracts and may terminate them as long as it gives us three months' notice. Tradewinds accounted for approximately 14.6% of our Group turnover for FY2000.

Furthermore, as a coach, luggage and transport handler, rental and lease payments represent a substantial portion of SH Tours' total expenses. Therefore we are dependent on our supplier, San's Tours & Car Rentals, to provide us competitive rates for our rental and lease payments. Although these rates are currently competitive, they may not be so when reviewed in April 2002. Any substantial increase in the rental rates that we obtain from San's Tours & Car Rentals will adversely affect our profits.

Our business operations are subject to foreign currency exposure which may adversely affect our operating results and financial position

For FY2000, about 43.7% of our revenue and about 42.8% of our purchases and expenses were denominated in foreign currencies. We are exposed to foreign exchange risks to the extent that our cash flows in currencies other than the Singapore dollar do not match, either in the overall amounts of the respective foreign currency denominated cash flows or the timing of such cash flows. Payment of foreign currency denominated costs and receipts of foreign currency denominated sales are recorded at rates of exchange at the dates of payment and receipt respectively. The different exchange rates prevailing at the times of payment and receipt may give rise to foreign currency exchange gains and losses. Currently, we do not hedge our foreign currency exposures nor do we have a formal hedging policy. Our foreign currency exchange exposure is also discussed on pages 35 and 36 of this Prospectus.

RISKS RELATING TO THE OWNERSHIP OF OUR SHARES

Our Share price may be volatile, which could cause the value of your investment in our Company to decline

Our Share price may be volatile, which could result in substantial losses for investors purchasing our Shares. Prior to this Placement, you could not buy or sell our Shares publicly. An active public market for our Shares may not develop or be sustained following this Placement. You may be unable to sell your Shares at or above the Issue Price. The market price of the Shares may fluctuate significantly and rapidly as a result of, *inter alia*, the following factors, some of which are beyond our control:

- variations in our operating results;
- changes in securities analysts' estimates of our financial performance;
- changes in market valuations of similar companies;
- announcements by us or by our competitors of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments;
- additions or departures of key personnel;
- fluctuations in stock market price and volume, which are particularly common among highly volatile securities of Internet-based and technology companies, in particular, volume and prices of Internet shares listed on other stock exchanges, including NASDAQ; and
- involvement in litigation.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

All statements contained in this Prospectus, statements made in press releases and oral statements that may be made by us or our officers, directors or employees acting on our behalf, that are not statements of historical fact, constitute “forward-looking statements”. You can identify some of these statements by forward-looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, and “could” or similar words. However, you should note that these words are not the exclusive means of identifying forward-looking statements. All statements regarding our expected financial position, business strategies, plans and prospects are forward-looking statements. These forward-looking statements and other matters discussed in this Prospectus regarding matters that are not historical facts are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Given the risks and uncertainties that may cause our actual future results, performance or achievements to be materially affected other than expected, expressed or implied by the forward-looking statements in this Prospectus, we advise you not to place undue reliance on those statements. We are not representing or warranting to you that our actual future results, performance or achievements will be discussed in those statements. In the event that there are any material changes to the forward-looking statements, we will take reasonable steps to keep you notified. We are subject to the provisions of the Listing Manual of the SGX-ST regarding corporate disclosure.

ISSUE STATISTICS

Issue Price for each Placement Share **\$0.20**

NET TANGIBLE ASSETS

NTA per Share based on our audited balance sheet as at 30 September 2000 adjusted for the sub-division of shares referred to on page 75 of this Prospectus:

- | | |
|---|------------|
| (a) before adjusting for the estimated net proceeds from the issue of the Placement Shares (based on the pre-Placement share capital of 132,980,300 Shares) | 2.13 cents |
| (b) after adjusting for the estimated net proceeds from the issue of the Placement Shares (based on the post-Placement share capital of 156,480,300 Shares) | 3.53 cents |

Premium of Issue Price per Share over our NTA per Share as at 30 September 2000:

- | | |
|---|------|
| (a) before adjusting for the estimated net proceeds from the issue of the Placement Shares (based on the pre-Placement share capital of 132,980,300 Shares) | 839% |
| (b) after adjusting for the estimated net proceeds from the issue of the Placement Shares (based on the post-Placement share capital of 156,480,300 Shares) | 467% |

EARNINGS

Historical net earnings per Share for the financial year ended 30 September 2000 based on the pre-Placement share capital of 132,980,300 Shares 1.47 cents

PRICE EARNINGS RATIO

Historical price earnings ratio based on our historical net earnings per Share for the financial year ended 30 September 2000 based on the pre-Placement share capital of 132,980,300 Shares 13.61 times

NET OPERATING CASH FLOW⁽¹⁾

Historical net operating cash flow per Share for the financial year ended 30 September 2000 based on the pre-Placement share capital of 132,980,300 Shares 1.70 cents

PRICE TO NET OPERATING CASH FLOW

Historical price to net operating cash flow based on our net operating cash flow per Share for the financial year ended 30 September 2000 based on the pre-Placement share capital of 132,980,300 Shares 11.76 times

Note:

- (1) Net operating cash flow is defined as net profit after tax and minority interest with provisions for depreciation and amortisation of website development costs added back.

SELECTED FINANCIAL DATA

The following financial information has been derived from the Accountants' Report contained in this Prospectus and should be read in conjunction with, and are qualified in their entirety by reference to, such financial statements, including the notes thereto.

Results of Operations of Our Proforma Group⁽¹⁾

\$'000	Audited		
	FY1998	FY1999	FY2000
Turnover	7,789	13,146	19,365
Operating profit before depreciation, amortisation, interest and tax	497	1,699	2,963
Depreciation/write-off of fixed assets	(54)	(195)	(252)
Amortisation of website development costs	(19)	(43)	(50)
Interest expense	(5)	(22)	(32)
Operating profit	419	1,439	2,629
Other Income ⁽²⁾	—	18	173
Profit before tax	419	1,457	2,802
Tax	(100)	(408)	(890)
Profit after tax	319	1,049	1,912
Minority interest	—	—	45
Profit after tax and minority interest	319	1,049	1,957
Earnings per Share ⁽³⁾ (cents)	0.24	0.79	1.47

Notes:

- (1) The financial results of our Group for the period under review have been prepared on the basis that our Group has been in existence throughout the period under review.
- (2) Other income comprise management fee and interest income. Management fee is derived from consultancy and advisory services rendered to our Dubai office before it was incorporated as part of our Group.
- (3) For comparative purposes, EPS for the period under review has been computed based on the profit after tax and minority interest and the pre-Placement share capital of 132,980,300 Shares.

Financial Position of Our Proforma Group⁽¹⁾

\$'000	Audited		
	FY1998	FY1999	FY2000
Fixed assets	100	737	933
Website development costs	54	72	235
Deferred expenditure	—	—	327
Current assets			
Stocks	17	20	16
Trade debtors	605	1,218	1,373
Other debtors ⁽²⁾	289	1,127	1,053
Amount due from related parties ⁽³⁾	304	1,040	186
Cash and bank balances	109	212	2,381
Total current assets	1,324	3,617	5,009
Current liabilities			
Bank overdraft, unsecured	—	19	—
Trade creditors	428	552	697
Other creditors	487	1,106	1,833
Amount due to related parties	3	—	7
Hire purchase creditors	—	179	179
Provision for income tax	112	497	719
Proposed dividends, net	—	800	—
Total current liabilities	1,030	3,153	3,435
Net current assets	294	464	1,574
Non-current liabilities:			
Hire purchase creditor	—	(421)	(243)
Deferred income tax	(3)	(3)	—
Shareholders' Equity	445	849	2,826
NTA per Share ⁽⁴⁾ (cents)	0.33	0.64	2.13

Notes:

- (1) The financial results of our Group for the period under review have been prepared on the basis that our Group has been in existence throughout the period under review.
- (2) The breakdown of the other debtors is as follows:

\$'000	As at 30 September		
	FY1998	FY1999	FY2000
Deposits	65	123	209
Prepayments	21	—	199
Other receivables	8	120	67
Staff Advances *	94	260	9
Loan to directors *	101	548	222
Sundry debtors	—	76	347
	289	1,127	1,053

* The loans and advances were granted to one Director, namely Boh Tuang Poh and three Executive Officers, namely Tsui Lam Sum, Simon Yeo Wee Hiong and Yeo Wee Khim Cecilia for their personal investments in e-commerce ventures. As the prospects of these e-commerce ventures were uncertain, the Company was not prepared to take the risks by investing directly in them. As at 31 October 2000, all loans and advances due and owing from staff, directors and shareholders have been fully repaid. Such loans and advances are not expected to recur in the future. Please refer to the section "Related Party Transactions" on pages 86 to 90 of this Prospectus for more details.

- (3) The amount due from related parties comprised mainly loan granted to a substantial shareholder, San's Rent-A-Car, for use as working capital. As at 31 October 2000, all loans due from San's Rent-A-Car have been repaid. The outstanding balance of \$186,000 in the amount due from related parties represents a deposit placed by SH Tours to San's Rent-A-Car for rental of coaches and leases.
- (4) For comparative purposes, the NTA per Share is calculated based on the pre-Placement share capital of 132,980,300 Shares.

REVIEW OF RESULTS

REVENUE STREAMS

Our revenue is derived from the sales of travel products and services, including hotel rooms, air tickets, ground transport services and tour packages. Currently, although more than half of our annual Group turnover are derived from online or Internet-based transactions, we also derived a portion of our Group turnover through conventional offline channels, that is, through our SH Tours offices in Singapore. For the past three years from FY1998 to FY2000, we derived 12%, 33% and 56% respectively of our Group turnover from online transactions. The expansion of online business was due to the growth in number of customers buying travel services through the Internet. From FY1998 to FY2000, our offline business represented 88%, 67% and 44% of our Group turnover respectively. We target mainly USA and European travellers. The proportion of our annual Group turnover attributable to travellers from the USA, Europe and Asia/Oceania region remained constant at 60%, 20% and 20%, respectively for the past three financial years.

The factors affecting our revenue streams are:

- (a) Seasonal nature of the travel industry. Our sales in the second half of our financial year were generally higher than the first half. For instance in FY2000, our sales turnover in the second half of the financial year (April 2000 to September 2000) was \$10.1 million as compared to \$9.3 million in the first half of the financial year (October 1999 to March 2000).
- (b) Political stability and economic conditions of our travel destinations. Leisure and business travellers tend to travel less during general economic downturns and times of political instability.
- (c) Ability to develop strong brand recognition, build customer loyalty and attract new and repeated customers.
- (d) Ability to increase the number of travel destinations offered. With new travel destinations, we can increase the number of reservations, hence increasing our revenue.
- (e) Ability to increase the level of traffic on our websites. This will lead to increased reservations, which enables us to negotiate better room rates. This in turn attracts more visitors to our websites and improves our sales.
- (f) Ability to retain or expand our wholesale hotel supply arrangements and ground handling arrangements or to obtain satisfactory discounts. This may affect the rates that we can charge our customers, which would affect our revenue streams.
- (g) Ability to introduce new travel services and products, such as air ticketing, ground transport and tour packages besides our core hotel reservation services. These “one-stop” services will help us cultivate brand loyalty and therefore retain customers.
- (h) Competition from other online and offline travel services providers. This may affect our revenue as new players may lower their prices for similar services to gain market share.

Online Sources

Our main revenue source arises from customers making online bookings for hotel rooms and other travel products and services through our websites. Depending on our arrangements with the hotels, customers booking hotel rooms through our websites are billed in one of the following two ways:

(a) ***Prepaid arrangement***

Under a prepaid arrangement, customers provide their credit cards details to us when they make reservations through our websites. We bill the customers and charge to their credit cards in full when a reservation is booked. Depending on our agreements with the hotels, we will pay the respective hotels either before or after the customers check out of the hotel rooms.

In cases in which we have fixed allotments of rooms from the hotels and we have not sold all the rooms, we are able to confirm to the customer the reservation without checking with the hotels. However, in cases in which we have taken up our full allotment of rooms from the hotel, or in which we have no room allotments from the hotels, we would have to check with the hotel first before confirming with our customers on their reservations. Payments are made to the hotels after deducting commissions payable to us. Revenue is recognised upon customers using the service, that is, at the time our customer checks out from the hotel. The customer is entitled to a partial refund if the reservation is cancelled prior to checking in at the hotel. The amount refunded depends on the time of cancellation and decreases incrementally nearer to the date of reservation.

For the period since we initiated the prepaid arrangement in FY1998 to FY2000, our gross profits from prepaid bookings accounted for approximately 2%, 13% and 27% of our Group total gross profits respectively.

Because our customers pay us when a reservation is booked and we do not pay a hotel until after our customer has checked out, our cash flow has benefited as we have been able to utilise the funds arising from the advance payments during the interim periods.

However, we are liable for any fraudulent online credit card charges committed by our customer. Since our incorporation, we experienced only one case of credit card fraud. It happened in our Philippines office and the amount was approximately US\$3,000. The guest used somebody's credit card for payment and was discovered. Apart from this case, we had no other fraudulent cases involving the use of credit cards for online reservations. Please refer to the section "Risk Factors" on pages 16 to 19 of this Prospectus for more details.

(b) ***PAX Arrangement***

Under the Passenger ("PAX") arrangement, customers book the hotel room through our websites, but pay the hotels directly when they check out. The hotel will pay us a commission after the customer has checked out. Commission is recognised as revenue upon fulfilment. For the period from FY1998 to FY2000, our commissions from PAX bookings accounted for approximately 15%, 18% and 23% of our Group total gross profits respectively.

Under the PAX arrangement, we book rooms on behalf of customers with the hotel. The hotel guarantees the availability of hotel rooms. As we do not receive customer's payment for PAX reservations since the customer pays to the hotel directly, we do not assume any financial obligation after accepting the bookings.

However, under the prepaid arrangement, we collect payments from the customers in advance. In this case, we ensure that the reserved rooms are available. If not, we will need to refund fully to the customers. On the other hand, if after confirming the bookings, the customers cancel the reservations, we will charge them a cancellation fee. At the same time, we will need to pay the hotel a compensation fee as stipulated in our agreement with the hotel.

Payments for online bookings travel services are also made on a pre-paid basis.

Other online revenue consist of:

(a) ***Membership or promotion fees***

In addition to the above, some hotels also pay us a membership or promotion fee for featuring them on our websites. The membership fees, which are payable by the hotels annually, are negotiated amounts and varies from hotel to hotel. The factors taken into account in charging the membership fees include the rates and allotment of rooms granted to us. For hotels which give us very good rates, we may waive the membership fees. For the period from FY1998 to FY2000, our membership fees accounted for approximately 6%, 3% and 2% of our Group total gross profits respectively.

(b) *E-commerce income*

We are also engaged in the development of e-commerce applications for companies, which provides another source of income. However, such income only commenced in February 2000. For the period from February to September 2000, we recorded e-commerce income of \$0.2 million from a total of eight customers, representing approximately 1% of our Group turnover for FY2000. Our e-commerce income are from one or a combination of the services below:

- (i) website design;
- (ii) website production;
- (iii) website promotion and marketing;
- (iv) reservation booking engine;
- (v) back-end commission/order processing/report/management software;
- (vi) web hosting; and
- (vii) server management and maintenance.

Offline Sources

We also offer ground transport and tour packages through our SH Tours offices. The revenue for transportation packages is recognised upon completion of the services and the revenue from the sale of tours is recognised upon sale of tour tickets to the customers.

Future Revenue Streams

Currently, our main revenue stream is derived from our online B2C hotel and travel reservation service. With the launch of our Hotelexchange.com and Hotel-Solution.com systems, we will begin to derive additional revenue streams from our B2B hotel room reservations system and web-based Property Management System. Please refer to page 54 of this Prospectus for more details.

COST OF SALES

Our cost of sales comprises mainly the contracted room rates for rooms booked under the prepaid arrangement as well as commissions paid to affiliates, travel agents, transport rental companies and other travel services providers.

The factors affecting cost of sales are our ability to:

- (a) continue producing volume business for our hotel suppliers, which enable us to negotiate better room rates with the hotels; and
- (b) develop strong relationships with our hotel suppliers so as to continuously obtain better contract terms including good rates which will lower our costs of sales.

GROSS MARGIN

Our gross margin are mainly affected by the mix of rooms:

- (a) sold during peak and off-peak periods, as we can mark-up our prices higher during peak seasons when rooms are in demand. Although hotels may also mark-up their rates during such peak seasons, we are still able to enjoy a good spread due to the high demand;
- (b) sold directly by us via our own websites, as we have to share the commission with our partners if we sell rooms through our co-branded sites such as Lycosasia.com on a revenue sharing basis; and

- (c) sold in the various cities and markets. For example, the mark-up is lower in competitive markets such as Thailand compared to less competitive markets such as Dubai, where the mark-up is higher. The reasons for the lower mark-up in Thailand can be explained as follows:
- (i) the lower start-up cost of a new company in Thailand;
 - (ii) the greater number of Internet hotel reservation companies in Thailand;
 - (iii) the lower operating costs in Thailand; and
 - (iv) the oversupply of hotel rooms situation in Bangkok, Thailand.

We typically realise higher gross margin on rooms sold during peak periods and rooms sold under the prepayment arrangement compared to PAX arrangement. For PAX arrangement, we receive commission that ranges from 10% to 20% of the room rates. For prepayment arrangement, our gross profit margin ranges from 25% to 50% of the room rates, which is higher than the commission rate received from PAX arrangement, as we have to bear the fulfilment risks. The fulfilment risks include both non-availability of rooms and credit risk. Since we receive payment from customers in advance, we are primarily responsible to customers to ensure that rooms are available.

However, although we receive lower commissions from the hotels via the PAX arrangement, it will be shown in the accounts as having a 100% gross profit margin. This is because we receive net commission from the hotels and the hotel room costs is not taken up in the accounts. This is not the case for prepayment arrangement which is reflected in the accounts as sales less costs of sales resulting in a lower gross profit margin.

OPERATING EXPENSES

Our operating expenses which are common to both our online and offline businesses are attributable mainly to:

- (a) personnel expenses;
- (b) office rentals;
- (c) credit card charges; and
- (d) charges relating to depreciation and amortisation.

We also incurred approximately \$0.2 million per month for the rental and lease of buses and coaches in our offline division, SH Tours, in FY2000. This includes expenses relating to maintenance of buses and coaches, fuel and road tax costs.

Our online business incurred \$0.2 million in FY2000 to process payment for all of our online transactions, including credit card charges.

Personnel expenses

Our personnel expenses include salaries, CPF or other saving/pension schemes, Directors' remuneration (including Directors' fees, if any) and other personnel-related expenses such as staff benefits and allowances. For the period from FY1998 to FY2000, personnel expenses accounted for approximately 76%, 73% and 68% of our Group total operating expenses respectively.

Office rentals

Our office rentals relate to the lease of office spaces in Singapore, Thailand, Indonesia, the Philippines, Hong Kong, Australia and UAE. Our offices also serve as customer service centres in the respective countries. For FY1998 and FY1999, our office rentals accounted for approximately 3% of our Group total operating expenses while in FY2000, it increased to 3.5%. Please refer to the section "Properties and Fixed Assets" on page 91 of this Prospectus for more details on our office rentals.

Credit card charges

Credit card charges arose as a result of customers using credit cards to pay for their hotel rooms and travel services through our websites under the prepaid arrangement. Depending on the credit cards used and the volume of transactions, we are charged approximately 2% to 5% of the transaction amounts by the respective credit card companies for processing prepaid hotel bookings. From FY1998 to FY2000, credit card charges accounted for approximately 0.2%, 1% and 3.7% of our Group operating expenses respectively.

Depreciation and amortisation charges

Depreciation is calculated on the straight line method to write off the cost of fixed assets over their estimated useful lives. These fixed assets comprise office equipment, computers, motor vehicles and furniture fittings.

We amortised our website development costs on a straight-line basis over their estimated useful lives of three years. Website development costs comprise any directly attributable costs of website development activities which include payroll costs, costs of materials/services consumed, overheads and other related costs. Expenditures for office renovations are capitalised and expenditures for maintenance of office equipment, computers and motor vehicles are charged to the profit and loss account.

For the period from FY1998 to FY2000, our depreciation and amortisation charges accounted for approximately 1.6%, 5.6% and 5.2% of our Group total operating expenses respectively.

Burn Rate

Burn rate is defined by us as rate of negative cash flow. In our case, our revenue is more than enough to cover our operating and investing activities, resulting in positive cash flow.

We expect to incur operating expenses and make some capital expenditures as we expand our business overseas. However, we do not expect these operating expenses and capital expenditures to outpace the revenues generated by our business so as to deplete our cash resources.

For the past three financial years, we achieved positive net cash flow positions even though our operating and investing expenses had increased:

	FY1998	FY1999	FY2000
	S\$'000	S\$'000	S\$'000
Net positive cash flow position	203	84	2,400
Cashflow used in:			
Operating expenses	3,017	3,936	5,441
Investing expenses	83	895	729

Going forward, we still expect to maintain positive cash flow position as the out flow of cash on operating expenses and capital expenditures are not expected to outpace the in flow of cash from revenue generated.

RESULTS OF OPERATIONS

Review of Past Performance by Geographical Areas

For purposes of discussion, we have segmented our turnover by geographical regions based on the localities of our hotel suppliers and travel services providers. Our turnover and profit before taxation for the various geographical territories for each of the three financial years ended 30 September 1998, 1999 and 2000 are as follows:

\$'000	FY1998	FY1999	FY2000
Turnover			
Singapore/Malaysia	6,992	9,485	10,907
Thailand	497	1,587	2,550
Philippines	300	1,870	3,633
Others ⁽¹⁾	—	204	2,275
Total	7,789	13,146	19,365
\$'000	FY1998	FY1999	FY2000
Profit before taxation			
Singapore/Malaysia	222	837	1,654
Thailand	145	270	523
Philippines	52	297	609
Others ⁽¹⁾	—	53	16
Total	419	1,457	2,802
Profit before taxation margin	5.4%	11.1%	14.5%

Note:

(1) Others comprise Indonesia, Hong Kong, Dubai and Australia.

REVIEW OF PAST PERFORMANCE BY ACTIVITIES

We are unable to provide breakdown by profit before taxation for each component of our online business since our direct variable costs, comprising primarily personnel costs, cannot be meaningfully allocated among the individual online revenue sources or activities. Furthermore, our resources for the various business activities were derived from a common pool.

Our turnover and profit before taxation for the aggregated online and offline sources for each of the three financial years ended 30 September 1998, 1999 and 2000 are as follows:

\$'000	FY1998	FY1999	FY2000
Turnover			
Online			
Prepayment ⁽¹⁾	209	3,234	8,536
PAX ⁽²⁾	549	1,017	1,951
Others ⁽³⁾	200	168	388
Offline	6,831	8,727	8,490
Total	7,789	13,146	19,365

\$'000	FY1998	FY1999	FY2000
Profit before taxation			
Online	265	904	1,917
Offline	154	553	885
Total	419	1,457	2,802

Notes:

- (1) Under Prepayment, we bill the customers and charge to their credit cards in full when a reservation is booked. Depending on our arrangements with the hotels, we will pay the respective hotels either before or after customers have checked out of the hotel rooms. Revenue from customers' credit card payments is recognised in full upon fulfilment of the reservations. The payments to the hotels are reflected correspondingly as cost of sales.
- (2) Under PAX, customers pay the hotels directly when they check out. The hotels will pay us a commission after the customers have checked out. This commission is recognised as revenue upon fulfilment of the reservation.
- (3) Others comprise mainly annual membership fees, income derived from the provision of e-commerce and technical consultancy services.

FY1998 vs FY1999

Turnover

Our turnover increased by \$5.3 million or 68.8% from \$7.8 million in FY1998 to \$13.1 million in FY1999. There was a steady increase in the turnover from Singapore/Malaysia, Hong Kong, Thailand and the Philippines which contributed approximately \$2.5 million, \$0.2 million, \$1.0 million and \$1.6 million to the increase respectively. This was attributable to the relative strength of the US dollar versus Asian currencies which made travelling in these countries cheaper for USA travellers. The USA travellers remained our largest online revenue contributor, responsible for about 60% of our total online revenue.

The increase in our turnover from prepayment, PAX and offline services was partially offset by the decline in annual membership fees as we began waiving annual subscriptions for hotels which produced higher sales compared to other hotels in those countries. These annual subscription fees became negligible compared to sales generated from hotel bookings.

Our offline turnover in Singapore grew by \$1.9 million or 27.8% due to increase in tourists arrivals to Singapore of about 11.3% on account of improved economic situation and the new tie-ups with Tradewinds to provide arrival, departure and transfer sales for customers who took trips to Singapore via overseas travel agents. There was also a new source of income from the SIA Hop-On trolleys in the form of monthly trolley operating income and passenger charges.

Our online market in Singapore, Hong Kong, Thailand and the Philippines grew by \$3.5 million. This was largely attributed to a \$3.0 million increase in turnover from our prepaid accounts as we introduced more land and tour packages. Apart from that, there was also a \$0.5 million increase in turnover from PAX rooms which was attributed to the increase in visitors to our websites. The weekly number of visitors increased by 30.3% from 65,643 visitors for the last full week of September 1998 (i.e. 21 September to 27 September) to 85,516 visitors for corresponding last full week of September 1999 (i.e. 20 September to 26 September).

Gross Profits

Gross profits increased by \$2.2 million or 61.4% from \$3.5 million in FY1998 to \$5.7 million in FY1999. This was due to the increase of \$0.5 million and \$1.7 million from the PAX and prepaid reservations respectively. Our gross profit margin declined slightly by 2% from about 45% in FY1998 to about 43% in FY1999. This was due to the sale of air tickets in our prepaid packages, which have lower profit margin.

Operating expenses

Operating costs increased by \$1.1 million or 36% in FY1999 because of a 560% increase in depreciation charges arising from an addition of approximately \$0.6 million in fixed assets, a 25% increase in salaries as we hired additional staff in Singapore, Thailand and Philippines offices and a 14% increase in office rental due to the set-up of our Hong Kong office and the increase in our office space in Singapore.

Profit before Taxation

Our pre-tax profit increased by 248% from \$0.4 million to \$1.5 million in FY1999.

Our pre-tax profit margin doubled from 5.4% in FY1998 to 11.1% in FY1999 due mainly to higher proportionate increase in gross profits over operating costs resulting from economies of scale. Geographically, pre-tax profit margin from Singapore increased the most by 5.6% during the period due to contribution from SH Tours arising from the new tie-ups with Tradewinds and the introduction of SIA Hop-On Trolleys which commanded higher profit margin. Geographically, our margin decreased in Thailand and the Philippines because of the introduction of air tickets bookings which had lower profit margin.

FY1999 vs FY2000

Turnover

Our turnover increased by approximately \$6.2 million or 47.3%, from \$13.1 million in FY1999 to \$19.4 million in FY2000. The increase was mainly due to increase in PAX and prepayment sales, which contributed \$0.9 million and \$5.1 million to the increase respectively. New sources of income from e-commerce activities which commenced on 1 February 2000 contributed another \$0.2 million to the increase in turnover. Please refer to the section "Revenue Streams" on pages 24 to 26 of this Prospectus for more details.

Sales were higher due to the increase in number of visitors to our websites, which resulted in more online bookings for our travel products. The weekly number of visitors to our website increased by 67.4% from 85,516 visitors during the last full week of September 1999 (i.e. 20 September to 26 September) to 143,175 visitors for the corresponding last full week of September 2000 (i.e. 18 September to 24 September). Our turnover also increased due to our ability to source for more competitive rates as well as to provide a wider range of travel products and services and a wider network of offices in Asia Pacific and Dubai. Newly set up offices in Dubai and Australia contributed \$0.4 million to the increase in turnover from prepayment sales.

Gross Profits

Gross profits increased by \$2.9 million or 51.8% from FY1999 to FY2000. Gross profits from PAX accounts have almost doubled from \$1.0 million to \$1.9 million while prepayment accounts contributed \$1.6 million to the increase as we introduced new tour packages during this period. The other reason was due to income from the design of the e-commerce applications for companies which accounted for \$0.2 million of the increase. This e-commerce income was from a combination of website design, production, promotion and marketing as well as web hosting. Our gross profit margin of 45% for FY2000 is comparable to the gross profit margin for FY1999 of 43%.

Operating expenses

Our operating expenses were higher during FY2000, representing an increase of \$1.6 million or 37.8% compared to the corresponding period in FY1999. The increase in operating expenses was mainly due to the \$0.7 million increase in salaries, \$0.3 million increase in Directors' remuneration, \$0.1 million increase in office rentals and \$0.06 million increase in depreciation charges. This increase in operating expenses was due to the setting up of our Corporate Office in Singapore in March 2000, new offices in Dubai and Australia, as well as expansion of our service and operation centres in Singapore, which resulted in the hiring of additional professional staff, acquiring of new premises and more purchases of computers and fixed assets. Other reasons for the increase in operating expenses were an increase in credit card processing charges (\$0.2 million), travelling and transportation expenses (\$0.1 million), telecommunication expenses (\$0.03 million) and professional service fees (\$0.03 million). The increase arose because of expansion of business activities. Other miscellaneous expenses accounted for \$0.08 million.

Profit before Taxation

We achieved profit before tax of \$2.8 million for FY2000, as compared to \$1.5 million achieved in FY1999.

Our pre-tax profit margin was 14.5% for the whole of FY2000 as compared to the pre-tax profit margin of 11.1% for FY1999 representing an increase of 3.4%. This increase was made possible due to our ability to source for more competitive rates, to provide a wider range of travel products such as tour packages including air-tickets, transportation and sightseeing.

REVIEW OF FINANCIAL POSITION

Liquidity and Capital Resources

Our cash generated from operations is mainly from the sales of hotel rooms via prepaid and PAX arrangements, travel packages and provision of ground transport services. Our principal uses of cash are for:

- (a) meeting operating expenses, principally rental and staff related expenses; and
- (b) investing activities, principally the purchase of computers and office furniture.

Our working capital requirements are currently financed by cash generated from our operations. Our consolidated cash and cash equivalents stood at \$2.4 million as at 30 September 2000. Our Directors are of the opinion that we have sufficient working capital for our present requirements.

Since we commenced our operations in September 1995, we have depended primarily on equity funding by our founding shareholders and cashflow from operations. In FY1999, as part of our expansion activities, we have purchased three trolleys via SH Tours, financed by hire purchase facilities. Our total borrowings as at 30 September 2000 comprise only hire purchase facilities amounting to \$0.4 million. Other than the hire purchase facilities, we have no other borrowings.

Capitalisation and Indebtedness

The following table shows our cash and cash equivalents and capitalisation as at 30 September 2000:

- (a) on a Group basis after giving effect to the Restructuring Exercise as set out on pages 81 and 82 of this Prospectus; and
- (b) as adjusted to reflect the issue of Placement Shares pursuant to the Placement and the net proceeds, based on the Issue Price of \$0.20 per Share, after deducting estimated expenses.

	As at 30 September 2000	
	Group	Adjusted
	\$'000	\$'000
Cash and cash equivalents	2,381	5,081
Indebtedness		
Hire purchase creditors	(422)	(422)
Shareholders' equity		
Issued and paid up capital	1,995	2,347
Share premium	136	4,484
Revenue reserve	1,068	1,068
Minority interest	99	99
Translation reserve	(96)	(96)
Total Shareholders' equity	3,202	7,902
Total Capitalisation	3,624	8,324

As at 30 September 2000, our aggregate hire purchase facilities amounted to approximately \$0.4 million which were taken to finance our purchase of three SIA trolley buses. These facilities were secured by a personal guarantee from one of our shareholders, Mr Ang Hock Hai. Mr Ang Hock Hai has no intention to withdraw his personal guarantee after we are listed on SGX-SESDAQ as it will only expire when the hire purchase facilities is repaid.

Upon our listing on SGX-SESDAQ, we intend to provide corporate instead of personal guarantee to secure new hire purchase facilities. This, however, is subject to the concurrence of the financial institutions providing the facilities. We believe that as a public listed company, our corporate guarantee will be viewed more favourably than a personal guarantee. As such, we should be able to enjoy better credit terms which will benefit our Group as a whole.

Other than the abovementioned hire purchase facilities, we have no other bank borrowings or indebtedness as at 30 September 2000. As at 28 February 2001, our aggregate hire purchase facilities increased to approximately \$0.5 million due to the purchase of a company car.

Dilution

Dilution is the amount by which the Issue Price to be paid by the applicants for our New Shares in this Placement exceeds the net tangible book value per Share after this Placement. Net tangible book value per Share is determined by subtracting our total liabilities from the total book value of our tangible assets and dividing the difference by the number of Shares deemed to be outstanding on the date as of which the book value is determined. After giving effect to the Restructuring Exercise as described on pages 81 and 82 of this Prospectus, our net tangible book value as of 30 September 2000 was 2.13 cents per Share.

Based on the issuance by us of 23,500,000 Placement Shares in this Placement at an Issue Price of \$0.20 cents per Share and after deducting underwriting commissions and estimated transaction expenses to be paid by us, our net tangible book value as of 30 September 2000 would have been 3.53 cents per Share. This represents an immediate increase in net tangible book value of 1.40 cents per Share to our existing shareholders and an immediate dilution in net tangible book value of 16.47 cents per Share to new investors. The following table illustrates this per Share dilution:

	Cents
Issue Price per Share	20.00
Net tangible book value per Share as at 30 September 2000 after the Restructuring Exercise but before the Placement	2.13
Increase in net tangible book value per Share attributable to existing shareholders	1.40
Net tangible book value per Share after the Placement	3.53
Dilution in net tangible book value per Share to new public investors	16.47

The following table summarises the total number of Shares subscribed, the total consideration paid to us and the average price per Share paid by our existing shareholders since our incorporation and by the new investors in this Placement:

	Number of Shares		Amount		Weighted Average Price Per Share
		%	\$	%	cents
Existing Shares	132,980,300	84.98	2,131,141	31.20	1.60
Placement Shares	23,500,000	15.02	4,700,000	68.80	20.0
Total	156,480,300	100%	6,831,141	100%	4.37

Foreign Exchange Exposure

For FY2000, about 56.3% of our revenue and about 57.2% of our purchases and expenses were denominated in Singapore dollars. The percentage of our total sales, and total purchases and expenses denominated in the major currencies for the period from FY1998 to FY2000 are as follows:

Sales

	FY1998	FY1999	FY2000
Philippines Peso	3.8%	14.2%	18.7%
Thai Baht	6.4%	12.1%	13.2%
Hong Kong Dollar	—	1.5%	7.7%
Singapore Dollar	89.8%	72.2%	56.3%
Others	—	—	4.1%
Total	100%	100%	100%

Purchases and expenses

	FY1998	FY1999	FY2000
Philippines Peso	2.9%	13.0%	18.4%
Thai Baht	4.8%	11.3%	12.3%
Hong Kong Dollar	—	1.3%	8.0%
Singapore Dollar	92.3%	74.4%	57.2%
Others	—	—	4.1%
Total	100%	100%	100%

The above foreign currencies sales and purchases were recorded in the subsidiaries' books in the respective countries. For inclusion in the consolidated financial statements, results of foreign subsidiary companies are translated into Singapore dollars at the weighted average exchange rates. Exchange differences due to such currency translations are included in the foreign exchange reserve. The amount recorded in our foreign exchange reserve are as shown below:

Translation Reserves

\$'000	FY1998	FY1999	FY2000
Foreign Exchange	(20)	(55)	(151)

Transactions in foreign currencies are translated at exchange rates closely approximating those ruling on the transaction dates, while assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at balance sheet dates. We account for all exchange differences arising from translation in the profit and loss account.

The impact on our financial statements depends on the movement of such foreign currencies against the Singapore dollar and the amount of revenue or expenses denominated in such currencies. For example, profits derived from our transactions denominated in US dollar, would be lower in Singapore dollars should there be any depreciation in the exchange rate of US dollar against the Singapore dollar. We are therefore exposed to fluctuations in foreign currencies, but currently not to a material extent as shown below. Please refer to the section "Risk Factors" on pages 16 to 19 of this Prospectus for more details.

\$'000	FY1998	FY1999	FY2000
Foreign Exchange Losses	0	(1)	(5)
% of profit before taxation	0	0.07	0.18

Currently, our foreign exchange exposure is minimal, as both our receipts and payments in the various countries are mostly denominated in the same transactional currencies. As such, we did not hedge our foreign currency exposure. In addition, we also do not have a formal hedging policy. Although we do not have any formal hedging policy with respect to our foreign exchange transactions, we will monitor our foreign currency exposure position closely and may consider taking positions in forward contracts to hedge against such exposure.

Fixed Assets and Intangible Asset

Our tangible fixed assets comprise mainly office equipment, computers, furniture and fittings in FY1998. We have no significant capital expenditure and disposal for FY1998 to FY2000. The net book value of these assets increased by \$0.03 million in FY1998 to \$0.1 million due to additional computers, furniture and fittings purchased for our new staff. In FY1999, with more staff employed in Singapore, Thailand and the Philippines, and the expansion of SH Tours, the total net book value of our fixed assets increased further by \$0.6 million to reach \$0.7 million. The increase was due mainly to the purchase of three trolleys by SH Tours, which accounted for \$0.58 million of the increase in our fixed assets' net book value at the end of FY1999. As at 30 September 2000, our fixed assets have further increased by \$0.2 million to \$0.9 million with the establishment of overseas subsidiaries in Australia, Indonesia as well as Hotelexchange.com and Hotel-Solution.com.

Our intangible asset comprises our website development cost, which is capitalised and amortised over a period of three years using the straight line method. Our website development costs are stated at cost less accumulated amortisation and recognised as an asset only to the extent that it is probable that there is future economic benefit and is subject to an annual impairment review. If there is no future economic benefit, these costs will be written off accordingly.

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

The amount of our development expenditure that was amortised in each of the financial years are as follows:

\$'000	FY1998	FY1999	FY2000
Amortisation of website development costs	19	43	50

Deferred expenditure

Deferred expenditure comprises Placement expenses, pre-operating and preliminary expenses. It is stated at cost less amount written-off. Pre-operating and preliminary expenses are written off to the profit and loss account upon commencement of operations.

Placement expenses will be charged to the share premium account upon the listing of the Company on the SGX-SESDAQ.

Current Assets

Our current assets comprise mainly trade debtors, amounts due from San's Rent-A-Car and other debtors. Amounts in trade debtors comprise commissions owed by hotels from our PAX accounts whilst amounts in other debtors comprise mainly loans to our Directors and sundry debtors. During FY1999, our current assets almost tripled as a result of (a) increase in lending by SH Tours to San's Rent-A-Car, (b) increase in number of PAX rooms sold and (c) increase in borrowings by our Directors. All loans owing by our Directors and San's Rent-A-Car have been repaid as at 31 October 2000.

Trade debtors

Trade debtors are generally given 30 to 90 days credit terms. From FY1998 to FY2000, the average credit term granted to hotels arising from sales under the PAX arrangement was approximately 30 days. In determining the credit term to be extended to our hotel suppliers, we would take into account factors such as length of business relationship with the hotels and creditworthiness of the hotel suppliers. The average trade debtors' payment period for FY1998, 1999 and 2000 are 25.2 days, 25.3 days and 24.4 days respectively.

FY1998 vs FY1999

The increase in trade debtors of \$0.6 million was due to the increase in online sales trade debtors and offline sales trade debtors of \$0.5 million and \$0.1 million respectively. The increase in online sales trade debtors was in line with the increase in our Group online turnover as stated on page 30 of this Prospectus. The increase in offline sales trade debtors of \$0.13 million was mainly due to the following:

- (i) a \$0.1 million receivable from San's Rent-A-Car. In FY1998, the trade related balances of San's Rent-A-Car was a payable of \$0.07 million, which was included under trade creditors. The shift to a net receivable position in the current year was due to the provision of tour related services by SH Tours to San's Rent-A-Car. The previous year's payable arose due to unsettled costs at year end relating to the leasing of excursion buses by SH Tours from San's Rent-A-Car; and
- (ii) an increase in receivables from external parties such as Singapore Airlines in relation to the SIA Hop On Tours program which were introduced with effect from FY1999.

FY1999 vs FY2000

Trade debtors increased slightly by \$0.2 million from \$1.2 million to \$1.4 million as a result of increase in both our online and offline sales trade debtors.

Amount due from related parties

These amounts are non-trade related, unsecured, interest free and have no fixed terms of repayment. Related parties refer to companies in which certain Directors of our Company and our subsidiary companies are also directors and/or shareholders. These balances have remained unchanged between FY1997 and FY1998.

The significant increase in balances in FY1999 was due to interest free advances made to San's Rent-A-Car for working capital purposes. During the financial year ended 30 September 2000, these advances have been repaid and the balance outstanding as at 30 September 2000 of \$0.2 million represents a deposit made to San's Rent-A-Car for the rental and leases of coaches.

Other debtors

The significant increase in the other debtor balances between FY1998 and FY1999 was mainly due to additional interest-free loans to directors and staff advances of \$0.5 million and \$0.3 million respectively. These loans and advances were granted to them for their personal investments in websites, which were managed and maintained by us. In addition, deposits increased by \$0.06 million mainly due to deposits placed for new premises rented.

As at 30 September 2000, the other debtors balance decreased by \$0.07 million to \$1.1 million. This was mainly due to settlement of loans by the directors of \$0.3 million which was partially offset by the increased prepayment and sundry debtors' balances.

All loans to directors have been settled as at 31 October 2000.

Current Liabilities

Our current liabilities encompass trade creditors, other creditors, provision for income tax, net proposed dividends, hire purchase creditors and bank overdrafts. The significant current liabilities are trade creditors, hire purchase creditors, other creditors, net proposed dividends and provision for income tax.

Trade creditors

Trade creditors consist mainly of hotels which supply us with hotel rooms. From FY1998 to FY2000, the average creditor payment period granted to us was approximately 30 days.

FY1998 vs FY1999

The increase in trade creditors of \$0.1 million was mainly due to the increase in trade creditors for online and offline activities, amounting to \$0.07 million and \$0.05 million respectively. During the period, our trade creditors' payment period improved from 36 days in FY1998 to 27 days in FY1999 due to improvement in our cashflow position which allowed us to pay our hotel suppliers earlier. Similar to FY1998, the increase in trade creditors from online activities was mainly due to the increase in prepayment sales as stated on page 30 in this Prospectus. The increase in trade creditors' balance for offline activities by \$0.05 million was due to the increased tourist arrivals in 1999. In particular, the increase in the amount payable was due to an outstanding payment to a company providing luggage transportation services between hotels and Changi Airport for SH Tours.

FY1999 vs FY2000

Although trade creditors, in line with higher sales, have increased by \$0.1 million over the period, our average creditors' payment period had shortened from 27 days to 24 days. This was primarily due to the addition of new hotel suppliers which generally would extend to us a shorter payment term compared to existing hotel suppliers who are more familiar with our Group.

Other creditors

FY1998 vs FY1999

The increase in other creditors of \$0.6 million was due to an increase in deferred income and advances from customers of \$0.2 million and \$0.1 million respectively, which arose from prepayment sales. Apart from that, there was also an increase in accruals and sundry creditors arising from the 28% increase in offline sales.

FY1999 vs FY2000

The costs for consultancy and professional advisory services, comprising mainly applications for trademarks and cybertrader status, as well as additional accrued expenses have led to an increase in the other creditors of \$0.7 million from \$1.1 million as at FY1999 to \$1.8 million as at FY2000.

Shareholders' Equity

Shareholders' equity were approximately \$0.5 million, \$0.8 million and \$2.8 million in FY1998, FY1999 and FY2000 respectively. The movements in our shareholders' equity were largely the result of (a) undertaking new equity issues as we set up more subsidiaries and (b) accumulated profit and translation reserves due to exchange rate differences on consolidation. In addition, during FY1999, we declared dividends amounting to \$0.83 million to our shareholders and this was subsequently paid in FY2000.

The shareholders' equity increased by \$2.0 million over the 12-month period ended 30 September 2000 as a result of contribution of equity funds and retained earnings from operations.

Dividends

In FY1999, dividends amounting to \$0.83 million were proposed. These amounts were subsequently paid in FY2000. We do not intend to declare dividends in FY2001.

We currently do not have any dividend policy. The declaration and payment of dividends will be determined at the sole discretion of the Board of Directors subject to shareholders' approval, and will depend upon our operating results, financial conditions, other cash requirements including capital expenditures, the terms of our borrowing arrangements (if any), and other factors deemed relevant by the Directors. Therefore, there can be no assurance that dividends will be paid in the future or as to the amount or timing of any dividends that are to be paid in the future.

Taxation

We are subject to various tax regimes arising from our operations in the different jurisdictions, including Singapore (24.5%), Australia (36%), Thailand (30%), Indonesia (30%), Hong Kong (16%), the Philippines (32%) and Dubai (0%, tax-free). Any change in tax laws and regulations or the interpretation or application thereof may adversely affect our earnings and tax liabilities. Our estimated tax assessments in Singapore for year ended 30 September 1999 have been submitted but have not been finalised.

AT Reservation Network, a wholly-owned subsidiary of our Company has submitted an application to the Singapore Trade Development Board ("TDB") for the Approved Cyber Trading ("ACT") incentive. Under the ACT incentive, qualifying income from qualifying e-commerce transactions of AT Reservation Network, which is basically income derived from Internet hotel booking transactions with non-residents and relating to booking of hotels outside Singapore, will be subject to tax at a concessionary rate of 10% for a period of five years from the date of commencement of the incentive. The application is at present pending TDB's approval.

In FY1998, our income tax charge is lower than the amount determined by applying the Singapore income tax rate of 26% to the profit before tax mainly because of the utilisation of the unabsorbed tax losses brought forward from prior years and the availability of corporate tax rebate.

For the financial year ended 30 September 1999, our income tax charge is higher than the amount determined by applying the Singapore statutory income tax rate to the profit before tax mainly because of certain non-deductible expenses. As at 30 September 2000, our estimated income tax liability was \$0.7 million.

Our income tax charge is also affected by the different income tax rates applicable to overseas subsidiary companies.

OUR BUSINESS

HISTORY

We were founded by Mr Boh Tuang Poh in September 1995, when he launched Asiatravel.com in Thailand as an online travel portal providing primarily hotel reservation services on the Internet. We started in Thailand because it was cheaper to operate there and it was one of the premiere in-bound tourist destinations in South East Asia. To complement the global reach of our websites, we quickly established business and product development centres, sales offices and customer service centres in Indonesia, the Philippines and Hong Kong in 1996 to provide telephone and Internet enquiries, as well as reservation fulfillment services and to develop direct business relationships with our hotel suppliers. In 1997, we established our presence in Singapore. We also set up Australia and UAE offices in 1999 and 2000 respectively to extend our global reach beyond Asia Pacific.

We entered into commission sharing arrangements with our partners who took on the responsibility of servicing the reservations for their respective countries. These arrangements were formed in 1996 so that the product offerings of Asiatravel.com could be expanded rapidly in Indonesia, Hong Kong and the Philippines. These arrangements were subsequently replaced by shareholdings in Asiatravel.com Holdings Ltd under the Restructuring Exercise. To date, we have retained all our three original partners as Executive Officers in our regional offices, namely, Mr Tsui Lam Sum, Mr Yeo Wee Hiong Simon and Mr Hartono Liman.

As part of our plans to increase our product and service offerings, we acquired SH Tours as our ground handling division in 2000 as part of our Restructuring Exercise. SH Tours maintains tour desks at 19 major hotels and conducts sightseeing tours in Singapore. SH Tours also operates a fleet of 26 coaches and trolley buses. Currently, SH Tours services approximately 300,000 passengers annually on various Singapore Airlines and Tradewinds programs in Singapore. Mr Ang Eu Khoon from SH Tours was appointed our Executive Director on 17 December 1999 in conjunction with the acquisition of SH Tours. The services offered by SH Tours include:

- (a) ground transfers between the airport and hotels;
- (b) sightseeing tours in Singapore, Malaysia and Batam, Indonesia, including harbour cruises;
- (c) hotel room reservations; and
- (d) other packages catering to the hospitality needs of a passenger, from the moment the passenger sets foot in Singapore till the moment he or she departs.

In the span of five years from 1995 to 1999, we have expanded our service portfolio from only hotel room reservations to include a range of travel products and services, such as air-ticketing, sightseeing, ground handling and transfer services. As of January 2001, our websites have received an average of 25,000 visitors per day, resulting in approximately 100,000 page-views per day. We now have sales and reservation offices in Singapore, Hong Kong, Thailand, the Philippines, UAE, Indonesia, Australia, Vietnam, Guam and PRC.

OVERVIEW

We are an established (since 1995) and profitable Internet-based hotel and travel reservation company with an Asia Pacific network of 15 business development and customer service centres. Currently, we specialise in long-haul in-bound travel to Asia originating mainly from the USA and Europe.

As at 28 February 2001, our websites feature a total of approximately 2,000 hotels from 22 countries in the Asia Pacific region. The 2,000 hotels comprise:

- (1) 1,418 hotels which we contract directly. Of these 1,418 hotels:
 - (a) 786 hotels are based on free sales contracts with hotels;
 - (b) 224 hotels are based on allotment contracts with hotels; and
 - (c) 408 hotels are based on on-request contracts with hotels.

- (2) approximately 582 hotels which we contract through wholesalers who make bulk purchases of hotel rooms at a discount from hotel suppliers. The majority of these contracts is based on on-request contracts.

The characteristics of our contracts with our hotel suppliers are as follows:

- **Free Sales Contracts**, which give us the right to accept hotel room reservations at any time, unless the hotels inform us in advance that they are fully-booked. As we have a local presence in all the major destinations within the Asia Pacific region, and because of our established relationships with our hotel suppliers, we are constantly informed of hotel occupancy situations by the respective hotels. We enter into such arrangements mainly for non-prime destinations as there is usually a steady supply of hotel rooms throughout the year. We currently have a total of 786 hotels with free sales arrangements.
- **Allotment Contracts**, in which our hotel suppliers guarantee us a certain number of rooms even during peak seasons and major public or business events, such as major conferences or trade shows. We enter into such arrangements mainly for prime destinations which are popular during peak seasons. For example, in Phuket, Thailand, we are allotted up to 10 rooms per day by a 120-room hotel there. In Singapore, even during major events, we may be allotted up to 15 rooms per day per hotel at major hotels. Under our allotment contracts with the hotels, we are not penalised nor are we required to compensate the hotels if we are not able to sell all the rooms allotted to us. We currently contract with a total of 224 hotels on an allotment of room basis.
- **On-Request Contracts**, in which we are required to check with the hotels on their room availability before we can confirm the reservations with the customers.

For the period from 1 October 2000 to 31 January 2001, we sold an average of 30,000 room nights per month from the 750,000 monthly visitors to our websites.

Depending on our arrangements and relationships with the respective hotels, we are able to secure the rooms at discounts ranging from 30% to 75% of the published rates. Our gross margins for hotel room reservations range from 25% to 50% for prepaid arrangements and 10% to 20% for PAX arrangements. Currently, approximately 55% of our customers pay on PAX mode while 45% pay on pre-payment mode.

Aside from hotel room reservations, we also offer our customers other travel products and services online, such as air ticketing, ground transport and tour arrangements. Recognising the importance of having local offices to facilitate better customer service and to strengthen our relationships with our hotel suppliers, we are setting up offices in USA and Europe to position ourselves as a player with “Global Reach and Local Touch”.

Our current revenue is derived from providing hotel room and travel reservation services through our B2C websites on the Internet and from our offline division in Singapore. In FY2001, we have expanded into B2B e-commerce for hotel room reservations through Hotelexchange.com, an online hotel room booking engine for travel agents. In FY2002, we intend to provide our hotel suppliers with a fully-integrated web-based Property Management System to reinforce our relationships with our hotel suppliers through Hotel-Solution.com, a hotel management software suite that integrates the front office and backend functions of hotels. With the launch of these two new products, our online revenue stream will come from three main segments: (a) B2C hotel and travel reservation service (b) B2B hotel room reservations system and (c) Web-based Property Management System.

Travel Services — Hotel Bookings

As an online consolidator of hotel rooms, we contract with hotel suppliers in advance to secure rooms at rates that are at a discount to published rates. Depending on our arrangements and relationships with the respective hotel suppliers, we are able to secure the rooms at discounts ranging from 30% to 75% of the published rates. Often, because of our past relationships with some hotels, we are also able to secure rooms during peak seasons and major events at attractive rates. We have tabulated below the number of hotels we have direct contract with in each country:

Countries	Number of Hotels with direct contracts as of February 2001
Thailand	346
Australia	230
The Philippines	152
New Zealand	126
Indonesia	150
UAE	70
Malaysia	79
Singapore	55
Hong Kong	67
Vietnam	14
Myanmar	3
Japan	2
Laos	1
Cambodia	1
PRC	121
Nepal	1
Total	1,418

Of the 1,418 hotels, approximately 40% of the hotels belong to the three-star category, 40% belong to the four-star category and the remaining 20% belong to the five-star category based on generally accepted international classification standards. According to our February 2000 survey that we conducted among 50 of our hotel suppliers, room reservations through our websites represented 70% to 90% of their total online room reservations. We are currently adding new destinations in North Asia, Indo-China, USA and Europe and are in the process of setting up sales and business development offices in USA and Europe.

Apart from the above 1,418 hotels which we have direct contracts with, we have, as at 28 February 2001, contracted with approximately 582 other hotels through wholesalers. These 582 hotels are situated in the above countries tabulated above as well as Macau, Taiwan, South Korea, India, Maldives and Guam.

While our contractual relationships are primarily with independent hotel operators, we also market and offer rooms from hotels associated with worldwide and regional hotel chains, including Shangri-La, Westin, Ritz Carlton, Meritus, Accor Pacific, Millennium and Copthorne and Concorde. Of the 1,418 hotels, 50% are associated with such hotel chains. Although our hotel suppliers may have direct distribution capabilities for their rooms, they still deal with us as they view us as an efficient distribution channel to help maximise their overall revenues and occupancy levels for their hotels.

We are the only Asian travel site consistently ranked by the 100hot.com (www.100hot/travel) website travel category to be among the world's top travel sites since 1997 based on a sampling of unique visitors to our websites. 100hot.com is owned by Infospace, Inc., a NASDAQ-listed company. We believe that 100hot.com is one of the few companies that measure Internet traffic of specific industries on a global basis. We thus believe that we are well-positioned to capitalise on the expected growth in online hotel bookings, regardless of where those bookings originated from.

Travel Services — Ground Transport and Tours

We also have a dedicated ground handling unit, SH Tours. As at 30 September 2000, SH Tours services approximately 300,000 passengers annually on various Singapore Airlines and Tradewinds programs in Singapore. These services include ground transfers, tours, accommodations and event management comprising the organisation of conventions, seminars and exhibitions, as well as the arrangement of accommodation, meals, transport and tours for guests and participants. Through an arrangement with one of our major shareholders, San's Rent-A-Car, we have access to one of the largest fleets of coaches and chauffeured vehicles in Singapore to support our activities. Our past transactions with San's Rent-A-Car have been conducted on an arm's length basis. We will continue to deal with San's Rent-A-Car in the future on the same basis. Please refer to the section "Related Party Transactions" on pages 86 to 90 of this Prospectus. San's Rent-A-Car has more than 70 coaches, 25 chauffeured cars and 480 cars for rent in Singapore. SH Tours has two offices in Singapore, with an additional 19 tour desks in major Singapore hotels.

Tradewinds is a member of the Singapore Airlines Group. It was incorporated in 1975 to package tours to Singapore Airlines' worldwide destinations and operate air charter services to the region. As the tour operating arm of Singapore's two established airlines, Singapore Airlines and Silkair (Singapore) Pte Ltd, Tradewinds offers a range of outbound and inbound tour packages in Singapore. Tradewinds is wholly-owned by Silkair.

Customer Service Centres

We currently have 15 customer service centres in 10 Asia Pacific countries such as PRC, Thailand, Philippines, Singapore, Indonesia, Hong Kong, UAE, Guam, Vietnam and Australia. These offices handle and co-ordinate all online bookings or reservation enquiries via either e-mail or telephone. On average, our customer service centres receive approximately 300 telephone calls per day. We have in total 44 trained customer service officers who are equipped to quickly review a comprehensive list of hotels and prices in individual markets and to provide information on location and amenities.

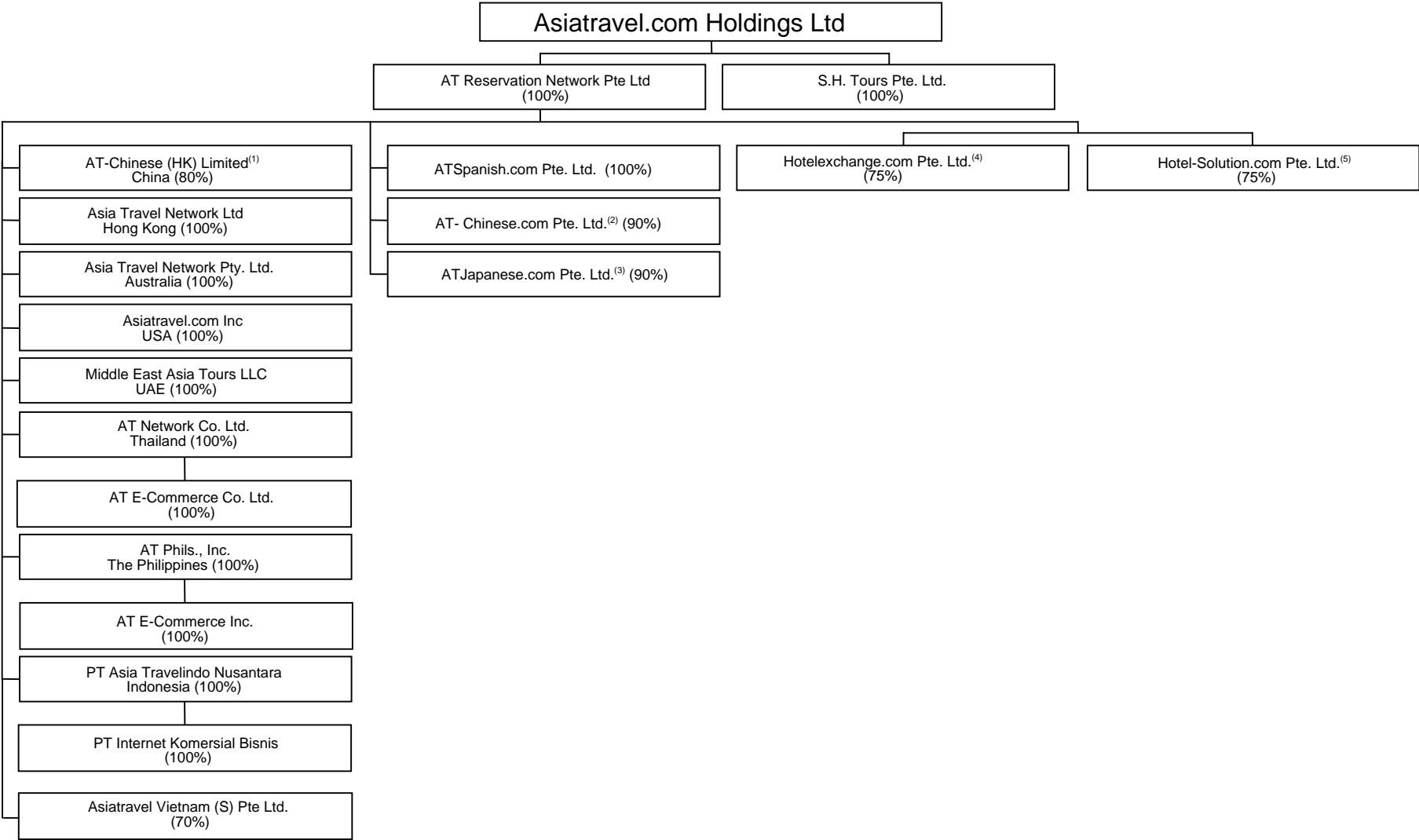
OUR GROUP STRUCTURE

Our Group is organised into two main operating divisions:

- (a) AT Reservation Network
- (b) SH Tours

Please refer to our Corporate Group structure on page 44 of this Prospectus.

Our Corporate Group Structure



Notes:

- (1) The other shareholder in AT-Chinese (HK) Limited is Essex Investment (Singapore) Pte Ltd (20%). The latter has been allotted shares in AT-Chinese (HK) Limited because it was instrumental in introducing us to the PRC market.
- (2) The other shareholders in AT-Chinese.com Pte. Ltd. are Joanna Yeo (5%) and Liu Soon Leong (5%). Joanna Yeo and Liu Soon Leong have been allotted shares in AT-Chinese.com Pte. Ltd. in recognition of their valuable contribution to the company and as an incentive to encourage further contributions to the Group.
- (3) The other shareholder in ATJapanese.com Pte. Ltd. is Hideyuki Odaka (10%). He is a key personnel in ATJapanese.com Pte. Ltd. and has contributed significantly to the development of ATJapanese.com Pte. Ltd. and has been allotted shares in the company as recognition of his services and as an incentive to encourage further contribution to the Group. He is not related to any of our Directors, Executive Officers or substantial shareholders.
- (4) The other shareholders in Hotelexchange.com Pte. Ltd. are Muljadi Tantra (11.89%), Ramblas Sastra (2.55%), Hartono Liman (2.55%) and Jeffrey Alan Evans (8%). These are key personnel in Hotelexchange.com Pte. Ltd. and the shares allotted to them in the company are in recognition of their services and as an incentive to encourage further contributions to the Group. These shareholders are not related to any of our Directors, Executive Officers or substantial shareholders.
- (5) The other shareholders in Hotel-Solution.com Pte. Ltd. are Muljadi Tantra (11.89%), Ramblas Sastra (2.55%), Hartono Liman (2.55%) and Jeffrey Alan Evans (8%). These are key personnel in Hotel-Solution.com Pte. Ltd. and the shares allotted to them in the company are in recognition of their services. These shareholders are not related to any of our Directors, Executive Officers or substantial shareholders.
- (6) All subsequent transactions of our Company with our subsidiaries which are not wholly owned will be based on normal commercial terms and conducted at arm's length.

AT Reservation Network

AT Reservation Network is the holding company for all our Internet-based businesses. Our Internet-based businesses are divided into five business divisions. They are:

- (a) B2C Travel Services (English Language Speaking Travellers)
- (b) B2C Travel Services (Non-English Language Speaking Travellers)
- (c) B2B Hotel Reservation Platform (Hotelexchange.com)
- (d) E-Commerce Enabler
- (e) Property Management Platform (Hotel-Solution.com)

AT Reservation Network is also the operating company for our B2C Travel Services Division in Singapore.

(a) *B2C Travel Services (English Language Speaking Travellers)*

The companies responsible for our B2C Travel Services Division in Singapore, Thailand, Hong Kong, the Philippines, Indonesia, Australia, UAE, PRC, Guam and Vietnam are:

- AT Reservation Network — Singapore
- AT Network — Thailand
- Asia Travel Network — Hong Kong
- AT Philippines — The Philippines
- PT Asia Travelindo Nusantara — Indonesia
- Asia Travel Network (Australia) — Australia
- Middle East Asia Tours — UAE
- AT-Chinese (HK) — PRC
- Asiatravel Vietnam — Vietnam

Our B2C Travel Services Division derives its business from the Internet through our transaction websites, namely, asiatravel.com, Fly-asia.com, instantroom.com, and roomexchange.com. In addition, it also maintains many destination-specific content websites such as atphilippines.com, atsingapore.com, at-australia.com and co-branded sites such as lycosasia.asiatravel.com and zingasia.asiatravel.com. Our B2C travel services accounted for approximately 56.1% of our Group turnover in FY2000.

Asiatravel.com, our anchor site, is a consumer-direct site. Our websites feature 2,000 hotels from 22 countries in the Asia Pacific region. It has been online since 15 September 1995. From March 1998 to December 2000, the number of visitors to our websites have grown significantly from approximately 6,500 visitors per day to approximately 25,000 visitors per day, as shown below:

	Daily Visitors at month end (rounded to the nearest hundred)
March 1998	6,500
December 1998	7,500
March 1999	10,800
December 1999	12,600
March 2000	19,800
December 2000	25,000

Currently, we enjoy an average of over 25,000 visits per day. On average, of the 25,000 daily visitors to our website, 500 make bookings online on a daily basis. Our website traffic has been built up over time through extensive listings on search engines, exposure in many travel magazines, travel articles in newsprint, through word of mouth and the rapid growth of the number of Internet users. More importantly, we focus on ensuring that our hotel room rates are competitive through monthly checks with other online websites prices, that we are obtaining the best possible deals from our hotel suppliers, and that only hotels in tourist and business locations are featured. In addition, we provide our customers with names and telephone contacts of all reservation staff online for user enquiries. Users can make enquiries, make reservations with instant confirmation, or opt to be put on a waiting list when hotels are fully booked. We offer our customers a choice of either prepayment or PAX mode of payment for most of our hotels. Customers who purchase rooms on prepayment basis generally enjoy lower rates than those on PAX. Please refer to the section "Revenue Streams" on pages 24 to 26 of this Prospectus for more details.

Fly-asia.com is our air-ticket, transfer, sightseeing and hotel package site for travel within the Asian region. Compared to Asiatravel.com, Fly-asia.com's main focus is on intra-Asia travellers. Travellers can book their flight to any of the major Asian destinations and book their intra-Asian travel from this site and make payments online using their credit cards. It now features hotel and airfare packages departing from Singapore and Thailand to various Asian destinations. It also features hotel and sightseeing packages in Thailand, Singapore, Malaysia, Indonesia and Philippines. This site has been operational since September 2000.

Roomexchange.com is our room voucher-bidding site, which allows hotels to sell guaranteed reservation vouchers. Business and leisure travellers, travel agents and corporations bid for these reservation vouchers on our websites. Payment is made in advance by credit card before we dispatch the hotel signed vouchers to the successful bidders. Currently a total of eight hotels in Thailand, the Philippines, Malaysia and Australia are listed. It has been operational since July 2000 and we are in the process of signing up more hotels to use our websites.

Instantroom.com is our instant confirmation site for travel agents and consumers who wish to make last minute reservations. Vouchers are printed instantly and guests will also receive e-mail confirmations. We will notify hotels by fax or instantly by e-mail once the reservations are made. Guests can pay at the hotels upon checking in or checking out. We currently feature approximately 250 hotels in the Philippines, Singapore, Malaysia, Indonesia, Australia, Thailand, Hong Kong and Dubai. Payment is by PAX arrangement at the hotels. This site has been operational since September 2000 and more hotels and travel destinations are in the process of being added.

(b) **B2C Travel Services (Non-English Language Speaking Travellers)**

The companies responsible for our non-English B2C Travel Services Division are:

- ATSpanish.com
- ATJapanese.com
- AT-Chinese.com

Our B2C Travel Services Division (Non-English Language Speaking Travellers) derives its business from the Internet through our transaction websites namely, spanish.asiatravel.com, chinese.asiatravel.com and japanese.asiatravel.com.

AT language companies will translate the over 20,000 pages on Asiatravel.com into their respective languages. They will be responsible for promoting Asiatravel.com on language search engines and identifying co-branding partners. In addition, they will be servicing user enquiries and reservations. All these language sites have been operational since September 2000 and we are constantly adding new products and destinations.

(c) **B2B Hotel Reservation Platform (Hotelexchange.com)**

The company responsible for our B2B Hotel Reservation Platform is Hotelexchange.com. Our B2B Hotel Reservation Platform principally derives its business from the Internet through our fully automated transaction website Hotelexchange.com.

Hotelexchange.com is an online platform or booking engine that allows travel agents to access and book participating hotels at agency rates. It is targeted at small-scale travel agents all over the world. This platform lowers transaction costs as our hotel suppliers can update their room rates online depending on their room occupancy resulting in better yield management. Each hotel is given a password to load rates and to control inventory on the website. All bookings are confirmed instantly online with printable vouchers. Amendments, cancellations, guest and travel agent records are all built-in. Our role is to teach the hotels how to use the site and to promote the site to travel agents. There will be no participating fee from the hotels. For this, we charge a commission on materialised room nights. However, we are responsible for any fraudulent credit card charges committed by our customers. We screen the travel agents for credit-worthiness based on our past transactions with them, thus taking the load off the hotels. Our system brings hotel room reservations online, reduce rental costs for travel agents and cut paper consumption through B2B electronic data exchange. We have developed and tested the system and have begun to sign up users. The site was officially launched on 10 February 2001. To date, 299 hotels and 340 agents have signed up.

(d) **E-Commerce Enabler**

The companies responsible for our E-Commerce Enabler Division are:

- AT E-Commerce (Thailand)
- AT E-Commerce (Philippines)
- PT Internet (Indonesia)

Our E-Commerce Enabler Division derives its business by helping companies extend their business to the Internet. We plan to develop our e-business unit by leveraging on our knowledge and experience acquired during the setting up of Asiatravel.com. We will continue to develop new products using our e-business unit as well as to take on third-party assignments. Currently, our E-Commerce Enabler Division accounts for 1% of our Group turnover in FY2000 and employs 37 technical staff in Thailand, the Philippines and Indonesia.

We offer advice on both the business and technology aspects of e-commerce. For the technology aspect, we outsource core technology requirements such as web hosting and payment gateways, either directly to a bank or to a third party. Instead, we focus on web and database design, as well as the back-end software support requirements, which we can do cost effectively at our low cost centres in Thailand, the Philippines and Indonesia. For the business aspects, we provide a wide range of services including marketing and online product promotions on websites on our customers' behalf. We undertake projects on a fixed-fee management basis or on a revenue sharing model. To date, we have undertaken 12 in-house e-commerce projects and 10 e-commerce projects with either third-parties or with companies in which our Directors have minority interests. Please refer to the section "Related Party Transactions" on pages 86 to 90 of this Prospectus.

The booking engine we use in our websites, which are updated constantly, such as Fly-asia.com and Hotelexchange.com can be marketed to selected traditional travel agents and regional hotel chains. Fly-Asia.com is a booking engine that allows travel agents to load their products through their Internet browser. These travel products include airline tickets, airline and hotel packages and a combination of hotel, air-ticket, transfer and sightseeing packages. With Fly-asia.com, travel agents do not need web designers or programmers to create their websites.

We have developed sites such as foodbest.com, shoppingbest.com, direct2stores.com and thaicdnw.com for external parties. Foodbest.com is an online seafood and supermarket for the Singapore market. Shoppingbest.com is a shopping mall for Thai and Asian products. Direct2stores.com provides a platform to enable manufacturers to sell and ship their products directly to retailers thereby bypassing local distributors and wholesalers. Thaicdnw.com offers a catalogue of albums from major labels in Thailand.

(e) ***B2B Property Management Platform (Hotel-Solution.com)***

Hotel-Solution.com is the company responsible for our B2B Property Management Platform. Our B2B Property Management Platform derives its business from providing a fully integrated web-based property management system to our hotel suppliers. This software is developed in-house and integrates the front office, inventory, purchasing, point-of-sales, accounts, personnel, sales and marketing functions of hotels. Hotel-Solution.com is integrated with our online booking engine, Hotelexchange.com. The web-enabled version of Hotel-Solution.com will dynamically update our hotel room database for reservations and check-in. Hotel management can then monitor the performance and operations of their hotel from a remote location.

We charge a subscription fee based on hotel room occupancy. Our recurring revenue stream from this B2B ASP model will complement our existing B2C reservation service revenue stream, further reinforcing our relationships with our hotel suppliers and direct more traffic to our websites. A non-web version is currently in use in a hotel in Indonesia. We are upgrading this to a web-enabled version. We intend to launch this system by July 2002 as we anticipate that broadband subscription rates will be substantially reduced by then.

SH Tours

SH Tours is the operating unit for our offline business. Currently, SH Tours services approximately 300,000 passengers annually on various Singapore Airlines and Tradewinds programs in Singapore. SH Tours maintains tour desks at 19 major hotels and conducts sightseeing tours in Singapore. It also operates a fleet of 26 coaches and trolley buses in Singapore as at 30 September 2000. With our experience, we are in a strong position to replicate our services in destinations operated by Asiatravel.com. Our offline division accounted for 43.9% of our Group turnover in FY2000.

OUR STRATEGY

The key elements of our strategy include:

- **Reinforcing our relationships with our hotel suppliers.** By participating in the B2B hotel segments through our online booking engine, Hotelexchange.com, and our Property Management System, Hotel-Solution.com, we will be able to reinforce our relationships with our hotel suppliers. Please refer to page 54 of this Prospectus for further information.
- **Extending our global reach through accessing new channels such as multi-media channels and WAP.** Please refer to pages 51 to 53 of this Prospectus for further information.
- **Increasing our Internet presence through the creation of more websites.** We intend to increase our Internet presence by creating more travel information sites to drive Internet traffic. The new websites will be destination-related in order to feature more contents specific to each destination. Examples of such websites are atphuket.com, atsingapore.com, at-australia.com, which cater to visitors interested only in travelling to Phuket, Singapore and Australia respectively.
- **Developing strategic partnerships and marketing alliances with partners such as HRN, STARTV.com Holdings, STAR-Travel.com, Wapme, STISC and Tradewinds.** We are currently Tradewinds' wholesaler and we promote Tradewinds' travel products on our websites. Please refer to the section "Overview" on pages 40 to 43 of this Prospectus for more details. We will be able to access new channels (broadband, wireless, WAP, and other multi-media channels) through our agreements with STARTV.com Holdings and STAR-Travel.com on 3 March 2001 and with Wapme on 17 July 2000. Please refer to the section "Our Future Plans" on pages 51 to 54 of this Prospectus for more details.

We are also able to offer a wider range of travel products or hotel suppliers for our customers through our agreements with STISC on 12 July 2000 and HRN on 8 March 2001. Please refer to the section "Our Future Plans" on pages 51 to 54 of this Prospectus for more details.

- **Increasing and enhancing our range of products and services.** We intend to increase the number of destinations and the range of products offered to include cruises, more sight-seeing tours and resort packages, hotel transfers, car rentals and merchandising travel accessories. Leveraging on the core competence of SH Tours in ground handling, we intend to provide these services in our other destinations. Please refer to the section "Our Future Plans" on pages 51 to 54 of this Prospectus for more details.
- **Setting up offices and strengthening our presence in USA and Europe.** We are setting up sales, reservation and marketing offices in USA and Europe. For example, our alliance with HRN will pave the way for our entry into USA. Please refer to the section "Our Future Plans" on pages 51 to 54 of this Prospectus for more details.
- **Increasing our market share in the intra-Asia out-bound travel.** We plan to expand into the intra-Asia out-bound market by using our newly created website, *Fly-asia.com*. In time, we intend to license to all travel agents this site targeted at travellers who are departing from Asian countries.
- **Acquiring travel-related websites and their content.** For new destinations such as India, Japan, Korea and Indo-China, strategic acquisitions may entail the purchase of existing websites and their content. This move will enable us to enlarge our product range in a shorter time without incurring the high cost of development in such destinations.
- **Expanding into B2B e-commerce services via Hotelexchange.com and Hotel-Solution.com.** We currently focus on providing reservation services based on a B2C e-commerce model. However, with the proposed launch of our software application, Hotel-Solution.com and the launch of our online booking engine, Hotelexchange.com, our recurring revenue stream from this B2B model will complement our existing B2C reservation service revenue stream and further reinforce our relationships with our hotel suppliers.

MARKETING

Our marketing executives play a dual role of marketing and business development. Our Chief Executive Officer is primarily responsible for marketing and our regional VPs are responsible for business developments in their respective countries.

We have been using the Internet to reach out to our global customers since 1995. Search engines are the most cost effective way to reach targeted customers on the Internet. Our pages are well embedded on most major search engines and we constantly monitor our listing positions on such search engines and make necessary modifications to our web pages to ensure that we stay relevant relative to the listing criteria of such search engines.

To ensure that we are able to provide the products and services required by our customers when they visit our websites, our team of 33 marketing cum business development executives are constantly working to ensure that competitive rates and appropriate hotels are being offered on our websites.

INDUSTRY OVERVIEW AND OUTLOOK

Growth of the Online Travel Services

According to the Travel Industry Association of America, travel expenditure in the USA totalled about \$515 billion in 1999, and spending is expected to grow by 5% to 6% over the next several years. Online travel reservation is expected to increase due to several factors:

- **Increase in comfort level of purchasing through the Internet.** As e-commerce becomes more widespread and online security systems improve, more people are likely to make purchases through the Internet.
- **Better access to a diverse range of information on the Internet compared to traditional shopping.** Consumers can search and compare on the Internet the prices of various products and services, such as hotel rooms. Compared to the traditional method of reading product brochures, looking up the yellow pages and calling hotels, travellers can obtain real-time information on hotel rates and view full motion videos of their holiday destinations on the Internet.
- **Lower online ticket processing and distribution costs,** which are far less expensive than brick-and-mortar travel agency costs. This implies lower costs of travel for customers when they book online.
- **Increased product offerings that are offered online and increased brand awareness** would help capture a larger portion of customers who are brand loyal and help retain repeat customers.

Hotel room reservations on the Internet

Generally, hotels depend on travel agencies, global distribution system and internal sales departments to generate room reservations. However, these traditional channels are not efficient enough to maximise the hotel's room capacity due to their limited reach to potential customers and multiple levels of mark-up by intermediaries. Further, the central reservation system, also known as the global distribution system ("GDS"), that hotels and travel agents rely on often do not have access to discounted room rates or guaranteed availability. Hotels that sign up for the GDS have to pay a joining fee, transaction fee and commission for each reservation made through the GDS. Other ways of obtaining information, for example, calling up hotels or reading guidebooks and brochures are too time-consuming and troublesome.

At the point of sales, hotel reservation is essentially an information product. A consumer does not get to enjoy the product until the product is actually consumed, i.e. at the time that the customer utilises the services of the hotels and other travel services providers. Traditionally, a consumer gets travel product information through friends, television, print media, travel agencies and tourism promotion organisations. The Internet and its inherent interactivity empowers the consumer to obtain such information quickly and precisely. According to a report published by the United Nations Conference on Trade and Development on 27 July 2000, travel, transportation and hotel reservation as a group represented the largest category of Internet transactions, accounting for 38.5% of all online sales in 1999. We believe that the Internet will become a mainstream channel for the travel and hotel reservation industry in the future.

We provide online hotel reservation service, by aggregating room inventory from various hotels and market them to travellers through the Internet, often at reduced rates. We therefore play an intermediary role by helping hotels maximise occupancy levels and revenue. With Hotelexchange.com, we hope to help travel agents strengthen their relationships with their customers by allowing them to provide better customer service and more competitive prices. Travellers benefit by enjoying lower hotel room rates. They are also able to compare and access the entire inventory of hotel rooms. As the number of travel options increases, we are able to offer both travel agents and travellers with information about the unique services from various travel providers such as airlines, tour operators, transportation companies, cruises and hotels.

OUR FUTURE PLANS

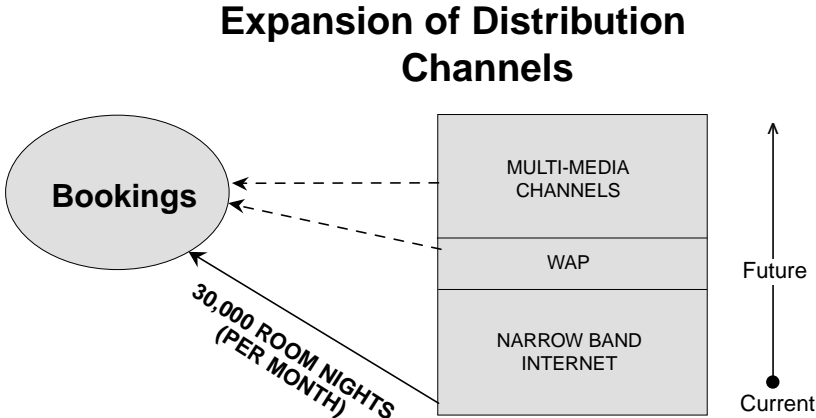
Our current revenue is derived from providing hotel and travel reservation services through our B2C websites on the Internet and from our ground handling and sightseeing tour unit in Singapore.

To fuel our future growth, we will explore and embark on new business opportunities. The key elements of our future plans include (a) broadening our revenue base, (b) expanding into B2B e-business and (c) expanding our offline divisions.

(a) Broadening Revenue Base

To broaden our revenue base, we plan to:

- (i) **Extend our reach through new access channels such as multi-media channels and WAP**



Multi-media Channels

Recent advances in digital technology enable media platforms to offer their subscribers an increasing range of interactive services through their TVs. Using their TV remote controls, subscribers to some of these platforms have access to a variety of interactive services, such as home shopping through selected vendors, online banking, enhanced TV, e-mail, travel reservations, games, pay-per-view and subscriber account management.

On 3 March 2001, we signed an agreement with STARTV.com Holdings and STAR-Travel.com, both companies within the corporate group of STAR Group Limited ("STAR"), to exchange a 12% equity interest in STAR-Travel.com, which will focus on developing, deploying multi-media travel contents and operate a multi-media travel website *www.StarAsiaTravel.com*, for 12% of our Shares. The equity exchange was completed on 8 March 2001 pursuant to the terms of the said agreement. This alliance will combine the strength in the provision of travel content and information of the two companies.

STAR-Travel.com will focus on developing and deploying multi-media travel content for its own multi-media travel website *www.StarAsiaTravel.com*, which was launched in February 2001 in both broadband (500K) and narrowband (56K) video streams accessible via Internet. STAR-Travel.com has an existing library of travel-related audio-visual materials from which it can develop such multi-media travel content. Under the terms of our agreement, we will have the right to appoint a director to the board of directors of STAR-Travel.com and STARTV.com Holdings will in turn have the right to appoint a nominee director onto our Board. The nominee director is not expected to have an executive function nor have such influence on our Board. Under our agreement, we further have a right of first offer to provide technical infrastructure support services to STAR-Travel.com for its travel website. In addition, in the event either we or STARTV.com Holdings is negotiating to acquire a significant stake in or enter into a strategic partnership with another entity in the Asia Pacific region whose principal business is similar to that of *www.StarAsiaTravel.com*, the two parties shall discuss in good faith the potential terms of participation by each party in such investment or partnership.

STAR-Travel.com intends to explore opportunities of co-operating with multi-media platform providers and operators to distribute *www.StarAsiaTravel.com* branded contents. We will also be exploring other alliances and strategic tie-ups with STAR's related companies.

STAR Group Limited, a wholly-owned subsidiary of The News Corporation Limited, is one of Asia's leading multi-platform content and service providers. STAR's 30 distributed television services, in seven languages, reach more than 300 million viewers across 53 Asian countries.

WAP

WAP is an additional channel for users to access the Internet through mobile devices such as cellular handphones and PDA using WAP technology. WAP systems are designed so that those users can have direct access to the information they need without typing extensively. WAP technology allows mobile and PDA users to conduct e-commerce transactions such as online purchasing, banking, stockbroking and video conferencing.

On 17 July 2000, we entered into an agreement with Wapme to jointly develop a WAP travel portal. This WAP portal will enable all users of the interactive communication platform Wapme.net to plan in detail and book their vacations in Asia while they are on the move. Wapme will provide technical advice on the development of the WAP portal and we will provide information on hotels and our hotel reservation system. We have also agreed to stage joint marketing activities in Asia and Europe. All commissions arising from online reservations and transactions would be divided in the proportion of 30:70 between Wapme and us respectively. We estimate our total investment in this joint venture to be around \$20,000, which will be used to WAP-enable 20,000 web pages. These expenses of \$20,000 will be funded by us through internal resources. We expect that this partnership will enable us to penetrate the European market and to significantly increase our customer base. We have set up our WAP enabled website since January 2001. Our WAP enabled website will be incorporated into the Wapme network from April 2001. Subsequently, users of Wapme will be able to access our WAP enabled website.

Wapme.net is listed on the portals of all major European mobile network carriers, including D2, e-plus, debitel, Swisscom, Sunrise, tele.ring and, of late, T-D1. Wapme.net now has 12 million WAP phone users in Europe. Wapme is a German mobile Internet communication service provider listed on the Neur Market (2nd Board) and has a market capitalisation of EURO 51.42 million as at 8 March 2001.

(ii) **Cover new geographical destinations**

Given that the majority of our customers are travellers from USA and Europe, we intend to expand into new destinations that are popular with these groups of travellers. In line with this strategy, we would cover new destinations in North Asia, Indo-China, USA and Europe in 2001 by identifying and contracting with selected hotels and travel services providers from the respective countries. We will utilise resources from our existing network of offices for this purpose. In addition, for new destinations such as USA and Europe, we intend to establish offices to better serve our customers and to strengthen our relationships with the hotel suppliers there. We estimate that we would need approximately \$1.0 million to establish these offices, which will be funded partly by proceeds from the Placement and partly from internal resources.

The wider geographical coverage in North Asia is necessary because our customers from USA and Europe normally make multi-destination stop-overs in Asia. The wider choices of Asian destinations will help to attract more visitors to our websites and improve our rate of converting these visitors into customers.

In certain destinations like Hong Kong where the hotel occupancy rates are high and room inventory is tightly controlled by hotel suppliers, we intend to lease and refurbish a hotel to secure sufficient rooms for us to meet demand from our customers. We are currently reviewing a lease proposal from a Hong Kong hotel that will give us about 3,500 room nights per month for the next five years with an option to renew for another five years at our discretion. The final terms of the lease contract are still being negotiated at the date of this Prospectus. In the event that aforementioned proposal does not materialise, we will use the allocated proceeds from the Placement as additional working capital.

To leverage on our clientele base from USA and Europe, we intend to cover new destinations in USA and Europe to cross-sell our services to these groups of customers. We believe the demand for such services will come from cross-Atlantic travel between USA and Europe and domestic travels within USA and Europe.

We entered into a reciprocal affiliated agreement with HRN on 8 March 2001 in which we agreed to market for sale each other's hotel and lodging products through the establishment of websites dedicated for this purpose. Under the agreement, a commission of 5% of the total amount charged by either party is payable to the other if the customer books his accommodation through the relevant party's dedicated website.

HRN is based in Dallas, USA and is an online consolidator of hotel accommodations. They provide their services through their websites, affiliated websites and their toll-free call centre. HRN is publicly listed on NASDAQ and has a market capitalisation of USD1.4 billion as of 15 March 2001.

On 12 July 2000, we signed an agreement with STISC to promote Shanghai as a tourist destination.

STISC is a non-profit government tourism promotion body and is set up to provide travellers with destination information about Shanghai and PRC. We will drive the online booking and payment dimension by listing around 50 Shanghai-based three-star to five-star hotels and resorts provided by STISC on our websites. In addition, they will provide us with information on destinations in PRC. We will share the revenues generated through online bookings with STISC on a 50:50 basis.

(b) Expanding into B2B e-business

To leverage on our existing relationships with hotel suppliers, we have expanded into B2B e-commerce for hotel room reservations on the Internet through Hotelexchange.com in FY2001. In FY2002, we intend to provide our hotel suppliers with a fully integrated web-based Property Management System through Hotel-Solution.com in FY2001. Please refer to pages 47 and 48 of this Prospectus for further information.

We will be setting aside from the net proceeds of the Placement, approximately \$0.2 million to promote Hotelexchange.com to USA and Europe markets in FY2001 and approximately \$0.2 million to develop and promote our Hotel-Solution.com software in FY2002.

With the launch of these two new products, our revenue streams will derive from three main segments: (a) B2C hotel and travel reservation service (b) B2B hotel room reservations system and (c) Property Management System.

(c) Expanding our offline division

We intend to expand our offline division over the next two years through:

- (i) **Acquisition of incentive and convention business.** We intend to move into the higher-yield incentives and convention business through the acquisition of a reputable player with physical operations in Singapore, Malaysia and Thailand. The incentives and convention market for travel is enjoying a revival as the Asian economies recover. Furthermore, by leveraging on the hotel provision and network strengths of Asiatravel.com, we can provide an Asia-wide product.
- (ii) **Setting up of ground units in the Philippines and Thailand.** Our offices in the Philippines and Thailand have reached the critical mass of customers that would justify the introduction of ground transport and tour products. SH Tours intends to replicate its expertise in these offices so that there will be a vertical expansion of products that are delivered in-house.

We intend to finance the expansion in our offline division by using funds from our operations.

MAJOR SUPPLIERS

Our major suppliers are mainly hotels. As most of our hotel suppliers are independent hotel operators, there is no single hotel which accounts for 5% or more of our total purchases for each of the past three financial years on a Group basis. As at 28 February 2001, approximately 50% of our total hotel room supplies come from worldwide and regional hotel chains including Shangri-La, Westin, Ritz Carlton, Meritus, Accor Pacific, Millennium and Copthorne and Concorde. Sans' Tours & Car Rentals supplied approximately \$0.2 million per month of transport and leasing services for the past three financial years, representing 50.7%, 32.8% and 20.4% of our Group total purchases in FY1998, FY1999 and FY2000.

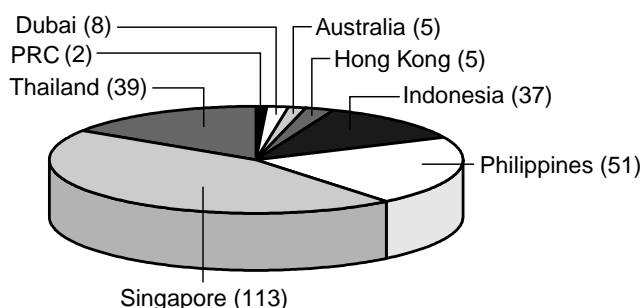
MAJOR CUSTOMERS

Currently, other than Tradewinds, our customers are mostly individuals. There is no single customer who accounts for 5% or more of our Group turnover for each of the past three financial years. Based on our Internet customer statistics, approximately 60% of our customers are from USA and 20% each from Europe and Asia.

EMPLOYEES

As of 28 February 2001, we have approximately 260 staff, including 44 in customer service, 33 in sales and marketing, 44 in reservation services, 21 in personnel and administration, 22 coach drivers, 37 in finance and accounting, 22 in management and 37 in information technology. The geographical distribution of our staff is illustrated in the chart below:

Geographic Distribution of our Staff



There was a collective agreement made between SH Tours and National Transport Workers' Union in relation to the terms and conditions of service of employees coming within the scope of the collective agreement. The collective agreement was for a period of three years from 1 January 1998 to 31 December 2000. It has since expired and the company is in discussion with the National Transport Workers' Union in relation to the renewal of the collective agreement.

COMPETITION

We compete against other wholesalers of hotel accommodation, hotels, travel agencies and other online travel services providers. Currently, most hotels sell their services through travel agencies, travel wholesalers and directly to customers, mainly by telephone. Increasingly, major hotels are offering travel products and services directly to consumers through their own websites. US-based players in the online travel services are Hotel Reservation Network, Preview Travel, Microsoft's Expedia, Sabre's Travelocity, Pegasus System's TravelWeb and Travelscape. Asian-based players include asiatravelmart.com and asia-hotels.com.

As the market for online travel services grows, we believe that companies already involved in the online travel services industry, as well as traditional travel suppliers and travel agencies, will increase their efforts to develop online services that will compete with our online services. We also face potential competition from Internet companies not yet in the leisure travel market and travel companies not yet operating online. We are unable to anticipate which other companies are likely to offer services in the future that will compete with the services we provide.

Our competitive strength is our focus on hotel reservations and our strong relationships with our hotel suppliers. In addition, we have established strong physical presence and fulfilment capabilities in our major destinations within Asia Pacific to provide customer service and business development. We have also broadened our reach by employing new access channels and covering new destinations. These are barriers to entry for potential competitors who may wish to enter the same destinations that we operate in.

BUSINESS PROCESS RESEARCH AND DEVELOPMENT

We do not conduct technology research and development in the conventional sense. We do, however, study the online behaviour of the visitors to our websites. Our methods include studying the patterns in which the visitors move across our websites, tracking their countries of origin, the length of their stay and their favourite pages. This allows us to customise our content to our customers' requirements and to develop business rules in order to maximise sales conversions.

We also study the buying patterns of consumers in the offline market. This allows us to quickly develop products which are suitable for delivery and distribution on the Internet. These include packaging and product development of tour packages so that we can cross-sell to our existing customers and gain new customers. Our E-Commerce Enabler Division which employs 37 technical staff has developed application software such as Hotelexchange.com and Hotel-Solution.com. Please refer to pages 47 and 48 of this Prospectus for further information.

INTELLECTUAL PROPERTY

Trade Marks

We have submitted applications in Singapore for registration of the following trade marks:

- (a) Asiatravel.com;
- (b) *www.asiatravel.com*;
- (c) Hotelexchange.com; and
- (d) our slogan "Global Reach Local Touch".

These applications are currently pending. We have successfully registered the trade mark *www.asiatravel.com* in Tunisia on 18 October 1999. In the United States, we are pursuing registration of the trade marks Asia Travel and Asiatravel.com, which applications are still pending.

Successful registration of these trade marks will protect the use of our trademark names in these countries. However, there is no guarantee that such registrations will be granted.

Domain Names

We are currently the registered owner of the following Internet domain names: Asiatravel.com, Asiatravel.net, Atphilippines.com, At-australia.com, Atphuket.com, Atindonesia.com, Atsingapore.com, Bali-today.com, Bali-club.com, BalikpapanCenter.com, Flyindonesia.com, Flybali.com, Flyjakarta.com, Fly-asia.com, Hotel-Solution.com, Hotelbest.com, Hotelexchange.com, Indonesia-today.com, Internetasia.net, Instantroom.com, Jakarta-today.com, Phil-buyersguide.com, Roomexchange.com and Thehotels.com. SH Tours currently owns the following domain names: *www.asiatours.com.sg*, *sh-tours.com*, *singapore-tours.com*, *malaysia-tours.com*, *hotels-in-singapore.com*, *star-holidays.com* and *tourez.com*.

OUR E-COMMERCE INFRASTRUCTURE

We outsource our core technology requirements such as web hosting and payment gateways either directly to a bank or to a third party. We have engaged Citibank and Siam Commercial Bank to process payment for all of our online transactions. We currently host our websites with U.S. companies, Colossus, Inc. in Reno, Nevada and Verio Inc. in San Jose, California which provides regular tape backups of all our web pages. We also keep a backup of our web pages offline on the servers at our overseas offices.

We have seven servers located in our offices in Singapore, Bangkok, Manila, Jakarta, Hong Kong, Perth and Dubai. We store all customer data in the servers at the offices responsible for their respective markets. We also make regular off-site backups of critical customer data. Our servers run on a RAID (Redundant Array of Independent Disks) Level 5 system which enables data to be simultaneously recorded on three hard disk drives. If one of the disk drives were to fail, we only need to replace the faulty disk drive. Customer data is intact in the other two disk drives which serve as backups.

REGULATIONS RELATING TO THE INTERNET AND TRAVEL INDUSTRIES

Regulations Relating to the Internet in Singapore

(a) *Electronic Transactions Act*

It is possible that The Electronic Transactions Act (Cap. 88) may have some effect on Internet use. Under this Act, the Controller of Certification Authorities in Singapore is at liberty to gain access to inspect and check the operation of any computer system and any associated apparatus and material if he has reasonable cause to suspect that such material has been used in connection with an offence under the Act in relation to the use of digital certificates and the conduct of a certification authority business.

(b) *Singapore Broadcasting Authority Act*

The Singapore Broadcasting Authority Act (Cap. 297) regulates, amongst other things, Internet content providers, being persons who provide information on the World Wide Web, as well as Web server administrators by requiring certain types of content providers to register with the Singapore Broadcasting Authority before establishing their Web page. We do not belong to any such category and therefore do not have to register ourselves under the relevant Act.

As an Internet content provider, we are however required to comply with the Internet Code of Practice which imposes an obligation on Internet content providers to use their best efforts to ensure that prohibited material is not broadcast over the Internet to users in Singapore. These include material of an explicitly sexual nature, graphic violence and glorification of ethnic racial or religious hatred and intolerance. To the extent that our Internet activities are considered to be within the ambit of the Singapore Broadcasting Authority Act, we will comply with the Internet Code of Practice and such other regulations as may from time to time be applicable.

(c) *Telecommunications Authority of Singapore Act*

The Telecommunications Authority of Singapore Act (Cap. 323) regulates Internet access service providers — persons who establish and maintain public Internet access facilities in Singapore. It currently does not regulate the provision of services and products to Internet subscribers through the Internet.

Regulations Relating to the Travel Industry in Singapore

Travel Agents Act

The Travel Agents Act (Cap. 334) requires the licensing of any person carrying on the business of a travel agent. The Travel Agents Regulations in turn provide for certain duties to be complied with by a licensee, including minimum financial requirements, appointment and duties of key executive officers, appointment of tourist guides and advertisements. We will comply with, and continue to comply with, such regulations which may be imposed upon us by the terms of our licence and under this Act and its regulations.

Save as set out above and other than laws of general application, we are currently not aware of any other statutory or regulatory provisions that regulate our present business and operations.

Licences Pertaining to Foreign Subsidiaries

All our international offices have travel agent licences and we are authorised to operate as travel agencies.

To the best of our knowledge, our subsidiaries are in compliance with the necessary licence requirements for purposes of carrying on their business in each of the jurisdictions in which they operate.

DIRECTORS, MANAGEMENT AND STAFF

Directors

The Board of Directors is entrusted with the responsibility for the overall management of our Group. The Directors' particulars are listed below:

Name	Age	Address	Current Occupation
Patrick Ngiam Mia Je	46	29 Parry Avenue Singapore 547256	Non-Executive Chairman
Boh Tuang Poh	45	1A Figaro Street Singapore 458322	Chief Executive Officer
Ang Eu Khoon	34	1 Sin Ming Avenue Flame Tree Park #21-06 Singapore 575728	Executive Director
Joanna Yeo	44	499 Clementi Road Singapore 599486	Chief Financial Officer
Lim Chuan Poh	46	41 Elliot Road Singapore 458713	Independent Director
Khoo Ho Tong	60	25 Orange Grove Road #04-01 Garden Apartments Singapore 258351	Independent Director

Information on the business and working experience of the Directors is set out below:

Patrick Ngiam Mia Je is our Non-Executive Chairman. He was appointed to the Board in June 2000. Dr Ngiam is currently the Chairman and Chief Executive Officer of the Essex Investment Group and IPC Corporation Ltd. He graduated in 1979 from University of Essex, United Kingdom, with a first class honours in Electronics Engineering, majoring in microcomputer. In October 1997, he was awarded Doctor of Philosophy in Business Administration by Southern California University for Professional Studies. The other awards he holds include the first KPMG High-Tech Entrepreneur Award, Singapore Business Awards for Businessman of the Year in 1993 and the Chevalier De L'Ordre National Du Merite, conferred by Le President De La Republique Francaise in 1996.

Boh Tuang Poh is our Chief Executive Officer and founder. Prior to this, he was a senior manager in Mitutoyu Asia Pacific Pte Ltd where he managed a team of sales and marketing staff in Singapore, Malaysia, Thailand and India from 1990 to mid 1994. Mitutoyu Asia Pacific Pte Ltd is the regional headquarters of Mitutoyu Corp in Japan, which is the world's largest manufacturer of precision measuring instruments. Mr Boh spent the second part of 1994 establishing and managing the International Metrology Co Ltd (Thailand), a dealer and agent of precision measuring instruments in Thailand. At the same time, Mr Boh took an active role in Asia Internet Online Publishing Pte Ltd, an Internet trade and directory business. Since we commenced operations on 15 September 1995, Mr Boh has been responsible for its overall profitability and business strategy. He initiated the acquisition of SH Tours, and subsequently, led the expansion of our operations into Singapore, Thailand, Hong Kong, the Philippines, Indonesia, Australia and UAE. He served 4 years apprenticeship under an Economic Development Board training program after completing his 'O' levels.

Ang Eu Khoon has been our Executive Director since 17 December 1999. He developed SH Tours which is involved in in-bound tour operations and ground handling between 1993 and 1999. Over the same period, Mr Ang was also managing the operations and expansion of his family business, San's Rent-A-Car. He has been managing the online promotion, web marketing and product development of SH Tours' Internet unit since 1999. Prior to joining San's Rent-A-Car in 1993, Mr Ang was an officer in the International Division (Correspondent Banking) of DBS Bank responsible for credit assessment of banks and loan syndication for two years. Mr Ang graduated in 1991 from the London School of Economics and Political Science, United Kingdom with a second class upper honours in BSc. (Econs) in Accounting and Finance.

Joanna Yeo is our Chief Financial Officer in charge of Finance, Administration and Personnel Department. When she joined our Group in February 2000, Ms Yeo brought along with her 18 years of experience in the field of accounting and finance. She was the Assistant General Manager in the ASEAN Regional Headquarters of Sanwa Bank Limited, responsible for the bank's regional strategic planning, accounts, fund management, regulatory, tax and legal compliance. Prior to joining Sanwa Bank Limited, she has held various positions including accountant at Overseas Union Bank Limited from 1984 to 1987, accountant at Nanyang Insurance Company from 1983 to 1984 and auditor at Coopers and Lybrand from 1981 to 1983. Ms Yeo holds a Bachelor of Accountancy degree from the National University of Singapore and is a Certified Public Accountant of Singapore.

Lim Chuan Poh is one of our Independent Directors. He was appointed on 27 February 2001 and serves as a member of the Audit Committee. He is the Chairman of the Remuneration Committee. He will also play an advisory role in the technology development of our Group. He is currently the Executive Vice-President, Corporate Business Group of Singapore Telecommunications Limited. Prior to this, he was the Deputy Secretary of the Ministry of Communications in 1996. Between 1994 and 1996, he was the Director-General of the Telecommunication Authority of Singapore. He was the Deputy Commissioner of Public Health of the Ministry of Environment between 1990 and 1994. Mr Lim obtained a Bachelor of Arts degree in Engineering Science from Oxford University, United Kingdom in 1978. He graduated with a Master of Science degree in Public Health Engineering from the Imperial College of Science and Technology, England in 1988.

Khoo Ho Tong is one of our Independent Directors. He was appointed on 27 February 2001 and is the Chairman of the Audit Committee. He will act as an advisor of our Group in finance, tax and accounting. He is also a member of the Remuneration Committee. He is currently a practising member of the Institute of Certified Public Accountants and has been in practice for more than 20 years. He is a council member of the Institute of Certified Public Accountants, Singapore and the Secretary General of the ASEAN Federation of Accountants.

The list of present and past directorships of each Director for the last five years, preceding the date of this Prospectus, excluding those held in our Company, is set out below:

Name	Present Directorships	Past Directorships
Patrick Ngiam Mia Je	<p><u>Group Companies</u> AT-Chinese (HK) Ltd</p> <p><u>Other Companies</u> Austin Federation (S) Pte Ltd Corex Systems (S) Pte Ltd Dazzle Multimedia, Inc Dynatech Ventures Pte Ltd Essex Bio-Pharmacy (HK) Limited Essex Credit Pte Ltd Essex Electronics (Singapore) Pte Ltd Essex Enterprise Pte Ltd Essex Holdings Limited Essex Investment (Singapore) Pte Ltd GIL Singapore Pte Ltd Hagenuk (Pte) Ltd IPC Corporation Ltd IPC Information and Communication (Pte) Ltd IPC Peripherals (Pte) Ltd IPC Singapore Pte Ltd IPC Transtech Display (Pte) Ltd Shanghai Shared Data Network Limited UOB Venture Investments Limited Zhuhai IPC Limited</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Digital Film Centre Asia Pte Ltd Grand City (HK) Ltd IPC Capital Pte Ltd IPC Systems (M) Sdn Bhd Merchant Ventures Pte Ltd Optibase Ltd SCM Microsystems (Asia) Pte Ltd Seachange Asia Pacific Operations Pte. Ltd. Singapore Professional Football League Pte Ltd Spices Technology Pte Ltd Torita Corporation Ltd Zenith Data Systems (Asia Pacific) Pte Ltd</p>
	Boh Tuang Poh	<p><u>Group Companies</u> Asiatravel Vietnam (S) Pte Ltd AT-Chinese.com Pte. Ltd. ATJapanese.com Pte. Ltd. AT Reservation Network Pte Ltd ATSpanish.com Pte. Ltd. Hotelexchange.com Pte. Ltd. Hotel-Solution.com Pte. Ltd. Middle East Asia Tours LLC PT Asia Travelindo Nusantara PT Internet Komersial Bisnis S.H. Tours Pte. Ltd.</p> <p><u>Other Companies</u> Asiabiz Solutions Pte Ltd Asia Internet Online Corporation Asia Web Pte. Ltd. Internet Asia Online Co. Ltd</p>

Name	Present Directorships	Past Directorships
Ang Eu Khoon	<p><u>Group Companies</u> ATSpanish.com Pte. Ltd. S.H. Tours Pte. Ltd.</p> <p><u>Other Companies</u> City Car Rentals and Tours Private Limited San Leasing Pte Ltd San's Workshop Pte Ltd</p>	<p><u>Group Companies</u> AT-Chinese.com Pte. Ltd. ATJapanese.com Pte. Ltd. Hotelexchange.com Pte. Ltd. Hotel-Solution.com Pte. Ltd.</p> <p><u>Other Companies</u> Keio-Sca International (Pte.) Limited Ocean Foods International Pty Ltd Prime Transportation Pte. Ltd. San's Rent-A-Car Pte. Ltd.</p>
Joanna Yeo	<p><u>Group Companies</u> Asiatravel Vietnam (S) Pte Ltd PT Asia Travelindo Nusantara PT Internet Komersial Bisnis</p> <p><u>Other Companies</u> Foodbest.com Pte. Ltd.</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Beauty Remedies Pte Ltd Coslab Network Marketing Pte. Ltd. Sanwa Futures (Singapore) Pte Ltd</p>
Lim Chuan Poh	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Acasia Communications Sdn Bhd Asean Telecom Holdings Sdn Bhd Failsafe Corporation Holdings Pte Ltd Globe Telecom, Inc. Singapore Telecom Australia Pty Ltd Singapore Telecom Hong Kong Ltd Singapore Telecom India Pte Ltd Singapore Telecom Japan Co Ltd Singapore Telecom Taiwan Ltd Singapore Telecom USA, Inc. SingTel Japan Co Ltd SingTel Services Australia Pty Ltd</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Info Ad Publishing Consultants Pte Ltd Integrated Databases India Pte Ltd Integrated Information (Hong Kong) Ltd Integrated Information (M) Sdn Bhd Integrated Media Services (Taiwan) Co Ltd PT Bukaka SingTel International (Indonesia) SingTel Yellow Pages Pte Ltd Sudong Sdn Bhd Tourism Publications Corporation Sdn Bhd Viva Bahagia Sdn Bhd</p>

Name	Present Directorships	Past Directorships
Khoo Ho Tong	<u>Group Companies</u>	<u>Group Companies</u>
	Nil	Nil
	<u>Other Companies</u>	<u>Other Companies</u>
	ABR Holdings Limited	ACPA Management Consultants Pte Ltd
	Accurate Support Sdn Bhd	Educational Development Pte Ltd
	Asiamedic Limited	Healthwho.com Pte Ltd
	Asiaprime Associates Pte Ltd	Multico Asia Pacific Services Pte Ltd
	Educational Resources Pte Ltd	Pantai Healthcare (Cayman) Ltd
	Nam Lee Pressed Metal Industries Limited	
	Season's Cafe Sdn Bhd	
Season Confectionary & Bakery Sdn Bhd		
Sembawang Capital (M) Sdn Bhd		
Starz Agency (M) Sdn Bhd		
Swensen's (Malaysia) Sdn Bhd		
Tastyfood Holdings Ltd		

Directors' Remuneration

The remuneration of our Directors on an aggregate basis and in remuneration bands in FY2000, including benefits in kind, are as follows:

(a) Aggregate Directors' Remuneration

FY2000		
Executive Directors	Non-executive Directors	Total
\$128,000	0	\$128,000

Notes:

- (1) In FY1999, our Director, Mr Boh Tuang Poh, was not paid any remuneration.
- (2) The Executive Directors comprise Mr Boh Tuang Poh, Mr Ang Eu Khoon and Ms Joanna Yeo. Their aggregate remuneration for FY2000 would have been \$286,000 had the Service Agreements been in place from the beginning of FY2000.

(b) Number of Directors in Each Remuneration Bands⁽¹⁾

FY2000			
	Executive Directors	Non-executive Directors	Total
\$500,000 and above	0	0	0
\$250,000 to \$499,999	0	0	0
Below \$250,000	3	0	3
	3	0	3

Note:

- (1) In FY1999, our Director, Mr Boh Tuang Poh, was not paid any remuneration.

(c) **Aggregate Remuneration paid to Substantial Shareholders and Employees who are related to Substantial Shareholders and/or Directors**

	FY1998	FY1999	FY2000⁽²⁾
Remuneration paid to Substantial Shareholders and Employees who are related to Substantial Shareholders and/or Directors ⁽¹⁾ (\$)	65,178	98,145	123,123
Percentage of Group profit before tax (%)	15.6	6.7	4.4

Notes:

- (1) The Executive Officers comprise Yeo Wee Hiong Simon and Yeo Wee Khim Cecilia who are substantial shareholders and Yeo Wee Tiang Magdalene who is the General Manager of our Singapore operations. They are siblings of Joanna Yeo who is our Executive Director.
- (2) The remuneration for FY2000 would have been \$182,000 had the Service Agreements been in place from the beginning of FY2000. It does not include the remuneration of Liu Soon Leong, who is the spouse of our Director Joanna Yeo. The latter only started drawing remuneration as of 1 October 2000.

Audit Committee

The Audit Committee comprises Messrs Lim Chuan Poh, Khoo Ho Tong and Joanna Yeo. The Chairman of the Audit Committee is Mr Khoo Ho Tong. Messrs Lim Chuan Poh and Khoo Ho Tong are the Independent Directors.

Our Audit Committee is charged with the responsibility of commissioning and reviewing the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on our business, operating results and/or financial condition.

Remuneration Committee

The Remuneration Committee comprises Messrs Lim Chuan Poh, Khoo Ho Tong, Boh Tuang Poh and Patrick Ngiam Mia Je. The Chairman of the Remuneration Committee is Mr Lim Chuan Poh. The Remuneration Committee oversees the general remuneration of our employees. It aims to motivate, recruit and retain employees and directors through competitive remuneration and progressive policies. In particular, the Remuneration Committee is responsible for approving and overseeing share incentives, including the share option schemes adopted by the Company. The members of this Committee will abstain from discussions or decisions made regarding their own remuneration and remuneration of employees who are related to them.

Corporate Governance and Practices and Principles

Our business and operations are currently managed by our Executive Directors. Mr Boh Tuang Poh is our Chief Executive Officer. He oversees the general management and daily operations of our Group. The Company has a system of accounting controls and/or other financial and administrative practices and procedures to ensure that we practise good corporate governance. An Audit Committee has been formed and the Audit Committee will meet periodically to review the following:

- (a) The audit plans, the system of internal accounting controls and the audit report in conjunction with the external auditors.
- (b) The assistance given by the Company's officers to the external auditors.
- (c) Review the internal control and procedures and ensure co-ordination between the external auditors and our management, reviewing the assistance given by our management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss.
- (d) The scope and results of internal audit procedures, review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on our operating results or financial position, and our management's response.

- (e) The financial statements of the Company and the consolidated financial statements of our Group before the submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance and accounting standards as well as compliance with the SGX-ST Listing Manual and any statutory or regulatory requirements.
- (f) The appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors.
- (g) Related party transactions falling within the scope of Chapter 9A of the SGX-ST Listing Manual and to review the compliance of related party transactions with the procedures as disclosed on pages 64 and 65 of this Prospectus.

Apart from the duties listed above, the Audit Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has, or is likely to have, a material impact on our business, operating results and/or financial position.

Management

Our day to day operations are entrusted to the Executive Directors who are assisted by the Executive Officers who are responsible for different functions. The split in management responsibility is shown in the Asiatravel.com Group Management Structure on page 69 of this Prospectus.

The following sets forth certain information in regarding the Executive Officers:

Name	Age	Address	Current Occupation
Yeo Wee Khim Cecilia	40	Blk 472 Ang Mo Kio Ave 10 #06-874 Singapore 560472	Vice President of Operations, AT Reservation Network. (Singapore, Thailand, Indonesia, Australia and Vietnam)
Yeo Wee Hiong Simon	45	198 Tembeling Road Singapore 423693	Vice President of Operations, AT Reservation Network (UAE and the Philippines)
Tsui Lam Sum	43	Room 1402 Tern Commercial Building 39-41, Granville Road Tsimshatsui Hong Kong	Vice President of Operations, AT Reservation Network (Hong Kong)
Hartono Liman	33	Jalan Kembang Elok IV No. 56 Puri Indah — H3/56 Jakarta 11610 Indonesia	Vice President of Operations, Hotel-Solution.com and Hotelexchange.com
Liu Soon Leong	46	499 Clementi Road Singapore 599486	Vice President of PRC market and Managing Director of AT-Chinese (HK)
Tan Hood Ann	37	Blk 136B Hillview Avenue #05-02 Singapore 669607	Vice President of Strategic Planning and Executive Director of AT-Chinese (HK)

Joanna Yeo, Yeo Wee Khim Cecilia and Yeo Wee Hiong Simon are siblings. Liu Soon Leong is the husband of Joanna Yeo. Save as disclosed, none of our Directors and Executive Officers are related to each other.

Information on the business and working experience of the Executive Officers of our Group is set out below:

Yeo Wee Khim Cecilia is the Vice President of Operations at AT Reservation Network, in charge of our overall operational matters and offices in Singapore, Thailand, Malaysia, Indonesia, Australia and Vietnam. She joined our founder, Boh Tuang Poh in 1996 as the executive director of Asia Web Pte Ltd responsible for the company's operations. The business and undertakings of Asia Web Pte Ltd were subsequently transferred to AT Reservation Network Pte Ltd on 10 October 2000. After completing her GCE "O" levels, she accumulated her experience in the management accounting and secretarial fields. She was the executive director cum founding partner of Dearsir Management Pte Ltd, a secretarial and accounting consultancy firm from 1989 to 1994, and Courier Coverage Pte Ltd, a local courier service company from 1992 to 1994. From 1994 to 1996, she took an active role in Asia Internet Online Publishing Pte Ltd, an Internet trade and directory business.

Yeo Wee Hiong Simon is one of our original partners. He joined us in 1996 when we established Philippines office. He is currently the Vice President of Operations at AT Reservation Network, responsible for operations and profitability of offices in UAE and the Philippines. He has also been the managing director of Asia Internet Online Corporation since 1994. For the period 1994 to 1996, he was doing feasibility studies for business opportunities in Philippines. The business of Asia Internet online Corporation was subsequently transferred to AT Philippines when it was set up in 1996. Prior to that, Yeo Wee Hiong Simon was a Manufacturing Engineer at Sundstrand Pacific Pte Ltd for a period of 20 years from 1974. He served four years apprenticeship under an Economic Development Board training program after completing his 'O' levels.

Tsui Lam Sum is one of our original partners. He joined us in 1997 when we established our Hong Kong office. He is currently the Vice President of Operations at Asia Travel Network Limited, responsible for operations and profitability of Hong Kong office. Before joining us, he has over 10 years' experience in the hotel industry in Hong Kong. He was the Assistant General Manager in charge of the daily operations at Park Hotel from 1982 to 1991. He set up and ran his own restaurant business in PRC from 1991 to 1993. Between 1993 to 1997, he was the General Manager responsible for the operations and management of Bangkok Royal Hotel. He holds a Bachelor Degree in Business Administration from Simon Fraser University, Canada.

Hartono Liman is the Vice President of the Hotel-Solution.com and Hotelexchange.com. He joined us in June 1996 and is responsible for developing the Hotel Property Management System, Hotel Purchasing System and Hotel Internet Travel Agent Reservation System. Over the past ten years, Hartono Liman has set up and managed a very diversified group of companies in Indonesia, consisting of a furniture business, an elevator business, property developers, a hotel management company, a metal stamping manufacturer, a diving operator company, a hotel software developing company and various hotel developer investment companies. Hartono Liman has hands-on experience in the development of hotel property management systems software, including designing the whole concept of the software, the database structure and developing user friendly screen for the software. He also has experience in hotel management and operations. He holds a Bachelor Degree in Management Information System from Iowa State University, USA and completed the Hotel Advanced Management Programme at Cornell University, USA on 31 January 1997.

Liu Soon Leong is the Vice President of our operations in PRC market and managing director of AT-Chinese (HK), our holding company for our operations in PRC. He joined our Group in May 2000 and is responsible for the e-business travel and tourism network in PRC with the ultimate aim of establishing joint-venture companies to spearhead and manage the travel and tourism e-business in PRC. Prior to joining us, Mr Liu was the Reliability Manager at the Singapore Refining Company Pte Ltd responsible for ensuring the reliability of rotating machinery. He has worked in the petroleum refining industry for almost 20 years. He holds a Bachelor Degree in Mechanical Engineering from the University of Singapore and is a Member of the Institute of Engineers, Singapore.

Tan Hood Ann is the Vice President of Strategic Planning for our Group and also the executive director of AT-Chinese (HK) Limited. He is responsible for special projects including sourcing for new strategic mergers and acquisitions and new product development. Before joining us in July 2000, he was the Deputy Director of the Corporate Banking Group in Citibank responsible for relationship management and business development for seven years. Prior to that, he was with the credit management unit of Citibank for three years responsible for risk management between 1990 and 1993. He holds a Bachelor Degree in Business Administration (Honours) from the National University of Singapore.

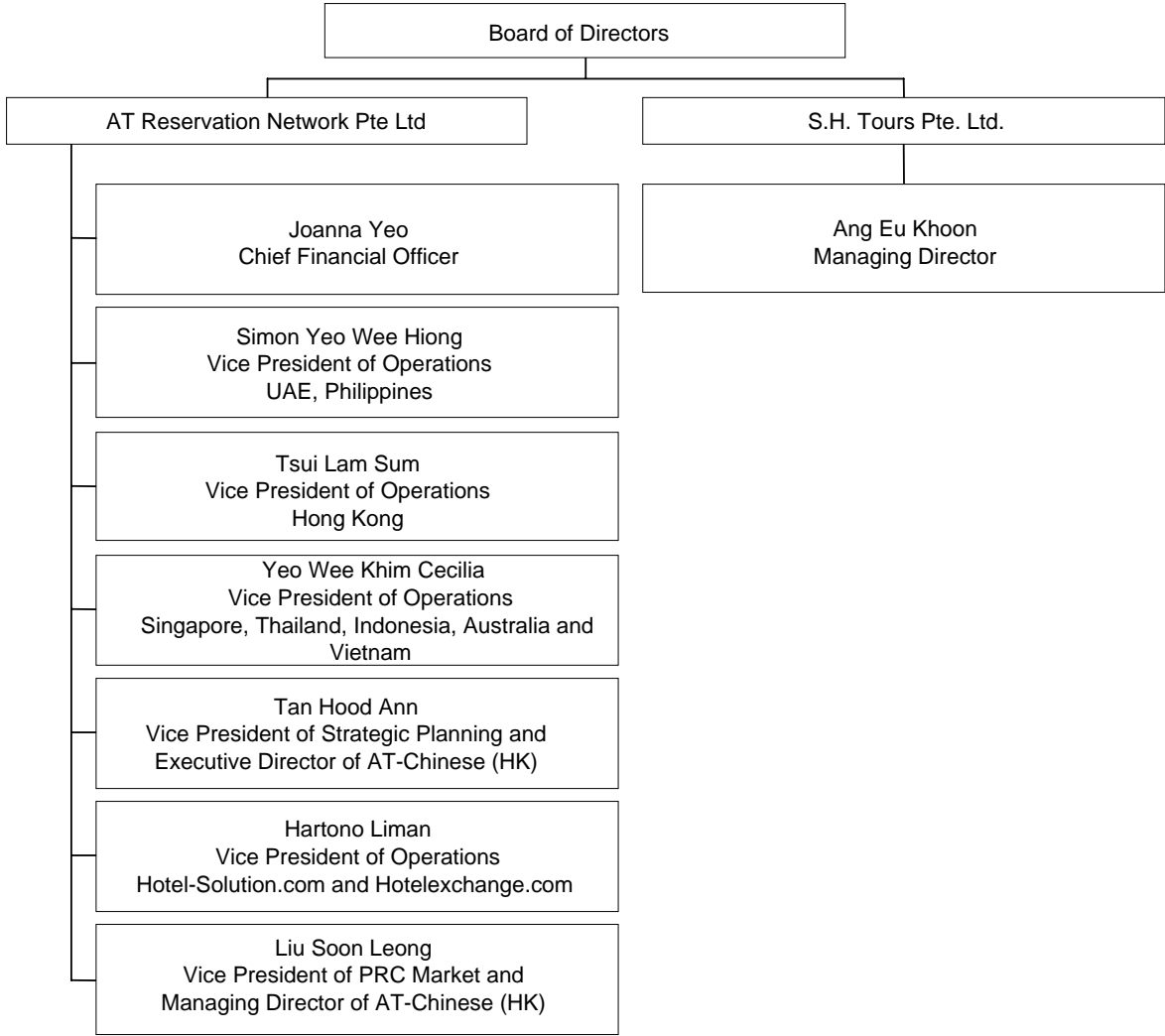
Save as disclosed below and excluding those held in our Company, none of the Executive Officers currently hold directorships or held any past directorships for the last five years preceding the date of this Prospectus:

Name	Present Directorships	Past Directorships
Yeo Wee Khim Cecilia	<p><u>Group Companies</u> AT E-Commerce Inc. AT E-Commerce Co., Ltd AT Network Co., Ltd AT Phils., Inc.</p> <p><u>Other Companies</u> Asia Internet Online Corporation Asia Web Pte. Ltd. Cyber Trader Co., Ltd Internet Asia Online Co., Ltd SB Network Co., Ltd</p>	<p><u>Group Companies</u> AT Reservation Network Pte Ltd</p> <p><u>Other Companies</u> Asia Internet Online Publishing Pte Ltd GCR Management Co. Ltd</p>
Yeo Wee Hiong Simon	<p><u>Group Companies</u> AT E-Commerce Inc. AT Phils., Inc.</p> <p><u>Other Companies</u> Asia Internet Online Corporation</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Nil</p>
Tsui Lam Sum	<p><u>Group Companies</u> Asia Travel Network Limited AT-Chinese (HK) Limited</p> <p><u>Other Companies</u> Nil</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> GCR Management Co. Ltd</p>

Name	Present Directorships	Past Directorships
Hartono Liman	<p><u>Group Companies</u> Hotelexchange.com Pte Ltd Hotel-Solution.com Pte Ltd PT Asia Travelindo Nusantara PT Internet Komersial Bisnis</p> <p><u>Other Companies</u> PT Infarco Pondok Wisata PT Prima Novus Abadi</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> PT G-Tech PT Graha Inggil Saba Satria PT Ihaka Anugerah PT Limantama Guna Kreasi PT Multi Piranti Artha Mandiri PT Sekawan Usahabakti Nusa PT Sekawan Usaha Satria PT Sekawan Usaha Sejahtera PT Sekawan Usaha Sentosa Bersama PT Synergi Informasi Asia Xenith Pte Ltd</p>
Liu Soon Leong	<p><u>Group Companies</u> AT-Chinese.com Pte. Ltd. AT-Chinese (HK) Limited</p> <p><u>Other Companies</u> Nil</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Nil</p>
Tan Hood Ann	<p><u>Group Companies</u> AT-Chinese (HK) Limited</p> <p><u>Other Companies</u> Nil</p>	<p><u>Group Companies</u> Nil</p> <p><u>Other Companies</u> Nil</p>

Asiatravel.com Group Management Structure

Asiatravel.com Group Management Structure



Service Agreements

(a) Directors

On 1 June 2000, our Company entered into separate service agreements (the “Service Agreements”) with Boh Tuang Poh, Ang Eu Khoon and Joanna Yeo for an initial period of three years which may be renewed at the end of such period on such terms as may be agreed between the Company and the Executive Directors. The Service Agreements commenced with effect from 1 May 2000 and will continue unless otherwise terminated by either party giving not less than three months’ notice in writing. The Service Agreements cover the terms of employment of the Executive Directors, specifically, salaries and bonuses but excluding Directors’ fees which require the approval of shareholders at the Company’s Annual General Meeting.

Under the Service Agreements, Boh Tuang Poh is entitled to a monthly salary of \$10,000 while the monthly salary payable to Ang Eu Khoon and Joanna Yeo is \$6,000 each. Each Executive Director is also entitled to an annual increment in salary as determined by the Board, an annual bonus equivalent to two months’ salary and reimbursement of all travelling, accommodation and other out-of-pocket expenses reasonably incurred by them in or about the discharge of their duties.

(b) Executive Officers

On 5 October 2000, our subsidiary AT-Chinese (HK) entered into service agreements with Liu Soon Leong and Tan Hood Ann (the “Employees”), respectively the managing director and executive director of AT-Chinese (HK), for an initial period of three years which may be renewed at the end of such period on such terms as may be agreed between the parties. The Service Agreements commenced with effect from 1 July 2000 and will continue unless otherwise terminated by either party giving not less than three months’ notice in writing. The Service Agreements cover the terms of employment of the Employees. Subsequent to the listing of AT-Chinese (HK) or 31 December 2001 (whichever is earlier), the employment of the Employees may be terminated by either party giving not less than one month’s notice in writing. Under these terms, Liu Soon Leong and Tan Hood Ann are entitled to monthly salaries of \$5,000 and \$4,500 respectively with effect from 1 October 2000. Their remuneration packages are also to be reviewed by the board of directors of AT-Chinese (HK) after 31 December 2001 or the listing of AT-Chinese (HK) (whichever is earlier). Each Employee is further entitled to reimbursement of all travelling, accommodation and other out-of-pocket expenses reasonably incurred by them in or about the discharge of their duties.

As an added incentive, each Employee was also granted an option over new ordinary shares of HK\$1.00 each in AT-Chinese (HK) for their services. Pursuant thereto, they each have a right to exercise an option over 5,291 shares in AT-Chinese (HK) for every month of their service in AT-Chinese (HK) (subject to a maximum period of 18 months commencing from 1 July 2000 and ending on 31 December 2001) at an exercise price of HK\$1.00 per share and this option may be exercised no later than 31 December 2002.

In addition, the Company has given a separate undertaking to the Employees that (a) in the event that it holds less than 65% of the shares in AT-Chinese (HK) or (b) it fails to procure a listing of AT-Chinese (HK) by 31 December 2001, both of them would have the right to require that the Company purchase their shares in AT-Chinese (HK).

In (a), the sale price of the AT-Chinese (HK) shares held by the Employees would depend on whether the Company’s shareholdings in AT-Chinese (HK) has fallen below 65% as a result of the sale of its shares in AT-Chinese (HK) or through a new issue of AT-Chinese (HK) shares. In the former case, the sale price per AT-Chinese (HK) share would be at the same price per share at which the Company has sold its AT-Chinese (HK) shares. In the latter case, the sale price per AT-Chinese (HK) share would be at such price as the subscription price per new AT-Chinese (HK) share or equivalent.

In (b), the sale price of the AT-Chinese (HK) shares held by the Employees would be determined by independent valuers approved by the parties.

This undertaking is to assure the Employees of the Company’s commitment to procure a listing of AT-Chinese (HK) by 31 December 2001 as well as the value of the share options they are receiving in AT-Chinese (HK). Assuming Liu Soon Leong and Tan Hood Ann exercise all the options granted to them, they will receive in aggregate 190,476 shares in AT-Chinese (HK) representing approximately 16% of AT-Chinese (HK)’s enlarged share capital. The Company’s equity interest will therefore be reduced from an initial shareholding of 80% to 67.2% of AT-Chinese (HK)’s enlarged share capital. The financial impact is not material because the Company will still be the majority shareholder holding more than 50% of the equity interest in AT-Chinese (HK) which allows the financial results to be consolidated at Group’s level.

Share Option Scheme

We recognise share options as a key incentive tool to attract, motivate and retain our Directors, Executive Officers and employees. We have therefore adopted a share option scheme, known as the AsiaTravel.com Share Option Scheme (the “Scheme”), the terms of which are set out in Appendix B. The rules of the Scheme are in compliance with Practice Note 9h of the Listing Manual of the SGX-ST.

Eligibility

Full time confirmed employees, executive directors and non-executive directors of our Group (as defined in the Scheme to include our Company, our subsidiaries and associated companies in which we have control) shall be eligible for selection by the Remuneration Committee to participate in the Scheme. Controlling shareholders and associates of such controlling shareholders are not entitled to participate in the Scheme.

Objectives and rationale

We are involved in an industry where the competition for suitably skilled and dedicated personnel is very intense. The ability to attract and retain such personnel is crucial to our future success. We view share options as an essential part of our strategy in attracting and retaining such personnel and to instill continued loyalty to our Group. These options reward eligible employees for their contributions without inflating our fixed wage costs.

Participation by Non-Executive Directors

We also proposed that non-executive directors be eligible to participate in the Scheme. Although our non-executive directors are not involved in the day-to-day running of the operations of our Group, they can play an invaluable role in our growth and success by contributing their experience and expertise to our Board of Directors for the benefit of our Group. This applies especially to non-executive directors who, although not employed within our Group, work closely with us and who, by reason of their relationship with our Group are in a position to input and contribute their experience, knowledge and expertise to our development and prosperity. By allowing non-executive directors to participate in the Scheme, we will be able to provide persons who, while not executive directors, are nevertheless closely associated with our business operations, an opportunity to participate in our equity. In doing so, we aim to enhance our working relationship with the non-executive directors by instilling in them a greater sense of involvement and belonging to our Group. The extension of the Scheme to non-executive directors further ensures that we will be able to continue to attract capable individuals to sit on our Board of Directors as non-executive directors. We are of the view that the grant of options to our Independent Directors will not compromise their ability to make independent judgements.

Participation by Joanna Yeo, Liu Soon Leong, Magdalene Yeo Wee Tiang, Yeo Wee Hiong Simon and Yeo Wee Khim Cecilia

Joanna Yeo, Liu Soon Leong, Magdalene Yeo Wee Tiang, Yeo Wee Hiong Simon and Yeo Wee Khim Cecilia are related. They each directly hold 4.17%, 0%, 1.44%, 7.43% and 12.40% respectively of our total issued share capital prior to the Placement, aggregating 33,834,600 Shares comprising 21.62% of our total issued share capital subsequent to the Placement. Being employees of the Group, they are eligible to participate in the Scheme. We are of the view that even though they hold in aggregate 21.62% of our total issued share capital subsequent to the Placement, they should not be deemed controlling shareholders and/or associates because they hold their Shares independently and do not exercise control over the Company nor dominate decision-making in the Company. Furthermore, their participation is consistent with the overall objectives of the Scheme which include the motivation of employees to achieve long term growth for our Group, the maintenance of a high level of performance, the promotion of greater commitment and dedication and the retention of a talented and experienced group of executives. However, in the event that any of them becomes controlling shareholders subsequent to the Placement, under the terms of the Scheme, none of them will be entitled to participate in the Scheme.

Subscription Price

The subscription price of options granted under the Scheme shall be at up to a maximum 20% discount to the market value of the ordinary shares for five market days immediately prior to the date when an offer of an option is made (the "Date of Grant"). The exact quantum of discount shall be determined by the Remuneration Committee at its absolute discretion (subject to a maximum discount of 20%). Options granted under the Scheme will vest over periods ranging from one year to four years from the Date of Grant, or as may be otherwise specified by the Remuneration Committee. In respect of discounted options, there will be a minimum vesting period of two years.

In determining the subscription price of options (including any discount) to be granted to our directors and employees, the Remuneration Committee may structure the subscription at such discounted rates as may be appropriate in each case, having regard to the position and responsibility of the director or employee, the performance of the director or employee, the performance of our Group, and the prevailing market and economic conditions.

With the flexibility to grant options at a discount, we are able to use the Scheme more effectively as a means of recognising participants for their outstanding performance, and to motivate them to continue to excel, while encouraging them to have greater dedication and loyalty to us. Share prices do not always correlate with the financial performance of the Company and options granted by the Company on the basis of market price may not be attractive and realistic in an overly buoyant market and inflated share prices. Therefore, during such period the ability to offer such options at a discount would allow the Remuneration Committee to grant options on a more realistic and economically feasible basis. Furthermore, having the discretion to grant options at varying discount levels would make the Scheme less vulnerable to market sentiments and stock market volatility at the time of grant of options. The discounted options have a longer vesting period of two years (as opposed to one year for non-discounted options) and this will encourage employees and directors to take a longer term view of our Group.

Exercise Period

The period during which an option is exercisable in relation to an option granted is as follows:

- (a) a period commencing no earlier than after the expiry of 12 months from the Date of Grant and expiring no later than the end of 120 months from the Date of Grant in the case where:
 - (i) the Subscription Price is not at a discount to the price per Share offered to the public at the initial public offering of the Shares of the Company; or
 - (ii) the Subscription Price is not at a discount to the average of the last dealt prices of the Shares for the five market days prior to the Date of Grant;
- (b) a period commencing no earlier than after the expiry of 24 months from the Date of Grant and expiring no later than the end of 120 months from the Date of Grant in the case where:
 - (i) the Subscription Price is at a discount to the price per Share offered to the public at the initial public offering of the Shares of the Company; or
 - (ii) the Subscription Price is at a discount to the average of the last dealt prices of the Shares for the five market days prior to the Date of Grant.

However, in the case of an option granted to a non-executive director, such period shall expire no later than the end of 60 months from the Date of Grant.

Vesting Period

Options granted under the Scheme may, at the discretion of the Remuneration Committee, be vested partially over a number of years. The periods over which the options will vest may exceed any minimum vesting periods prescribed by any laws, regulations or rules to which the Scheme may be subject, including the regulations of any stock exchange on which the Shares may be listed and, may or may not be subject to any retention period.

Size of Scheme

The total number of Shares to be issued by our Company in respect of which options are granted under the Scheme shall not exceed 25% of the total issued share capital of our Company from time to time. With a significant portion of our issued capital set aside for the Scheme, the Scheme will be perceived by employees and directors as a meaningful effort on our part to reward them for their contributions by providing them with greater opportunities to participate in our equity. With an increased participation in the equity interest of our Company, we believe that the employees' and directors' sense of loyalty and involvement will be enhanced. The implementation of the Scheme would enable our Company to maintain flexibility and competitiveness in the industry.

The 25% Scheme size is also intended to accommodate the potential pool of participants arising from a broad base of eligible participants, and support the use of share options in our overall long-term remuneration strategy. Based on information available as at 28 February 2001, approximately 260 employees and directors of our Group would potentially qualify for selection by the Remuneration Committee to participate in the Scheme. We further anticipate that the pool of participants under the Scheme will increase further arising from our future expansion plans.

Duration of Scheme

The Scheme will continue in operation for a maximum period of ten years commencing with the year of the first Date of Grant of an option to a person eligible under the Scheme, provided always that the Scheme may be continued for any further period or periods thereafter with the approval of a general meeting of our Company and of any relevant authorities which may then be required.

Potential cost of Options granted pursuant to the Scheme

It should be noted that any options granted for Shares in the Company (whether or not the subscription price is set at a discount to market price of the Shares) would have a fair value. Insofar as options are granted at a consideration which is less than their fair value, there will be a cost to the Company, the size of which will depend on whether the options are granted at market price or at a discount.

The cost to the Company of granting options includes the following:

- (a) the exercise of an option at a discount to the market price would translate into a reduction of the proceeds from the exercise of such option, as compared to the proceeds that the Company would have received had the exercise been made at the prevailing market price of the Shares. Such reduction of the exercise proceeds would represent the monetary cost to the Company of granting options at a discount;
- (b) as the monetary cost of granting options at a discount is borne by the Company, the earnings of the Company would effectively be reduced by an amount corresponding to the reduced interest earnings that the Company would have received from the difference in proceeds from a subscription price with no discount versus the discounted subscription price. Such reduction would, accordingly, result in the dilution of the Company's earnings per Share; and
- (c) the effect of the issue of new Shares upon the exercise of options on the Company's net tangible asset per Share is accretive if the subscription price is above the net tangible asset per Share, but dilutive if otherwise. The dilutive effect is greater if the subscription price is at a discount to the market price.

Currently, the Singapore financial accounting and reporting standards do not require companies to account for share-based awards granted to their employees. Accordingly, companies have not recognised any remuneration expenses relating to share options granted to their employees in their financial statements. However, share options have value because the option to buy a company's share for a fixed price during an extended future time period is a valuable right, even if there are restrictions attaching to such an option.

If the Singapore financial accounting and reporting standards are revised such that the Company is required to account for share-based awards granted to their employees, the cost of granting options will affect the Company's financial position. The cost to the Company will be higher the greater the discount and the longer the exercise period of the option.

SHARE CAPITAL

The Company was incorporated in Singapore on 1 December 1999 under the Companies Act (Cap. 50) as a private limited company under the name of Asiatravel.com Holdings Pte Ltd with an authorised share capital of \$100,000 divided into 100,000 ordinary shares of \$1.00 each and an issued and paid-up share capital of \$2.00 divided into 2 ordinary shares of \$1.00 each. Pursuant to the Restructuring Exercise, the authorised share capital of the Company was increased from \$100,000 divided into 100,000 ordinary shares of \$1.00 each to \$5,000,000 divided into 5,000,000 ordinary shares of \$1.00 each and its issued and paid-up capital was also increased by the issue of 1,994,688 new shares of \$1.00 each credited as fully paid. Please see “Restructuring Exercise” on pages 81 and 82 of this Prospectus for further details.

At the Extraordinary General Meeting held on 27 February 2001, the shareholders of the Company approved, *inter alia*, the following:

- (a) the conversion of the company into a public limited company and the change of name to Asiatravel.com Holdings Ltd; and
- (b) the adoption of a new set of Articles of Association of the Company.

At the Extraordinary General Meeting held on 16 March 2001, the shareholders of the Company approved, *inter alia*, the following:

- (a) the sub-division of ordinary shares of \$1.00 each in the authorised and issued paid-up share capital of the Company into ordinary shares of \$0.01 each (the “Stock Split”);
- (b) that authority be given pursuant to section 161 of the Act to the Directors to issue such number of new Shares which are the subject of the Placement. The Placement Shares, when issued, will rank *pari passu* in all respects with the existing Shares;
- (c) that authority be given pursuant to Section 161 of the Act to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 50 per cent. 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 existing shareholders of the Company does not exceed 20 per cent. of the issued share capital of the Company for the time being, and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier; and
- (d) the adoption of the AsiaTravel.com Share Option Scheme, the rules of which are set out in Appendix B of the Prospectus.

Pursuant to a shareholders’ resolution in writing passed on 30 March 2001, the shareholders of the Company approved, *inter alia*, the following:

- (a) the increase in the authorised share capital of the Company from \$5,000,000 divided into 500,000,000 ordinary shares of \$0.01 each to \$6,000,000 divided into 600,000,000 ordinary shares of \$0.01 each;
- (b) the issue and allotment of 1,450 ordinary shares of \$0.01 each at par to Boh Tuang Poh and/or his nominated beneficiaries; and
- (c) the consolidation of ordinary shares of \$0.01 each in the authorised and issued paid-up share capital of the Company into ordinary shares of \$0.015 each (the “Stock Consolidation”).

The issued and paid-up share capital of the Company as at 30 September 2000 was \$2.00 comprising 2 ordinary shares of \$1.00 each. Upon the issue of an aggregate 1,994,688 shares of \$1.00 each pursuant to the Restructuring Exercise on 30 January 2001 and 8 March 2001 respectively, the resultant issued and paid-up share capital of the Company was increased to \$1,994,690 comprising 1,994,690 shares of \$1.00 each. Subsequent to the Stock Split, the issued and paid-up share capital of the Company was \$1,994,690 comprising 199,469,000 Shares of \$0.01 each. The issued and paid-

up share capital of the Company was increased to 199,470,450 ordinary shares of \$0.01 each after the issue of 1,450 ordinary shares of \$0.01 each on 30 March 2001. Subsequent to the Stock Consolidation, the issued and paid-up share capital of the Company was 132,980,300 ordinary shares of \$0.015 each.

Save as disclosed on pages 70 to 74 of this Prospectus, there are no options to subscribe for shares in our Company or any of our subsidiaries and no options have been granted to, or have been exercised by, any of our Directors or Executive Officers within the last financial year.

Details of the changes in the issued and paid-up capital of the Company since 30 September 2000, being the date of the last audited accounts of our Company, are as follows:

	Number of Shares	\$
Issued and fully paid up ordinary shares of \$1.00 each as at 30 September 2000	2	2
Issued and fully paid up ordinary shares of \$1.00 each as at 8 March 2001 subsequent to the Restructuring Exercise	1,994,690	1,994,690
	<hr/>	<hr/>
Sub-division of ordinary shares of \$1.00 each into ordinary shares of \$0.01 each	199,469,000	1,994,690
Issued and fully paid-up ordinary shares of \$0.01 each as at 30 March 2001	199,470,450	1,994,704.50
Consolidation of ordinary shares of \$0.01 each into ordinary shares of \$0.015 each	132,980,300	1,994,704.50
Pre-Placement share capital	132,980,300	1,994,704.50
Placement Shares to be issued pursuant to the Placement	23,500,000	352,500
	<hr/>	<hr/>
Post-Placement share capital comprising ordinary shares of \$0.015 each	156,480,300	2,347,204.50

The authorised share capital and the shareholders' equity of our Company as at 30 September 2000 before and after adjustments to reflect, *inter alia*, the Restructuring Exercise, increase in authorised share capital, sub-division of shares of \$1.00 each, the Stock Consolidation and the issue of Placement Shares are set forth below. These statements should be read in conjunction with the Accountants' Report set out on pages 93 to 110 of this Prospectus.

	As at 30 September 2000 \$	As Adjusted \$
Authorised Share Capital		
Ordinary shares of \$1.00 each	100,000	
Ordinary shares of \$0.015 each		6,000,000
Shareholders' Equity		
Issued and paid-up share capital	2	2,347,204.50
Share Premium	—	4,483,937
Revenue reserve	(822)	(822)
	<hr/>	<hr/>
	(820)	6,830,319.50
	<hr/>	<hr/>

DESCRIPTION OF ORDINARY SHARES

The following statements are brief summaries of the rights and privileges of shareholders conferred by the laws of Singapore and our Articles of Association (the “Articles”). These statements summarise the material provisions of the Articles but are qualified in entirety by reference to the Articles.

Ordinary Shares

All our Shares are in registered form. We may, subject to the provisions of the Act and the rules of the SGX-ST purchase our own Shares. However, we may not, except in circumstances permitted by the Act, grant any financial assistance for the acquisition or proposed acquisition of our Shares.

New Shares

New Shares may only be issued with the prior approval in a general meeting of our shareholders. The aggregate number of Shares to be issued pursuant to such approval may not exceed 50% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being, of which the aggregate number of Shares to be issued other than on a pro-rata basis to our shareholders may not exceed 20% (or such other limit as may be prescribed by the SGX-ST) of our issued share capital for the time being. The approval, if granted, will lapse at the conclusion of the Annual General Meeting following the date on which the approval was granted. Subject to the foregoing, the provisions of the Act and any special rights attached to any class of shares currently issued, all new Shares are under the control of the Board who may allot and issue the same with such rights and restrictions as it may think fit.

Shareholders

Only persons who are registered in our register of shareholders and, in cases in which the person so registered is CDP, the persons named as the depositors in the depository register maintained by CDP for the Shares, are recognised as our shareholders. We will not, except as required by law, recognise any equitable, contingent, further or partial interest in any Share or other rights for any Share other than the absolute right thereto of the registered holder of that Share. We may close the register of shareholders for any time or times if we provide the Registrar of Companies and Businesses at least 10 clear market days’ notice. However, the register may not be closed for more than 30 days in aggregate in any calendar year. We typically close the register to determine shareholders’ entitlement to receive dividends and other distributions for no more than 10 days a year.

Transfer of Shares

There is no restriction on the transfer of fully paid Shares except where required by law. The Board may decline to register any transfer of Shares which are not fully paid Shares or Shares on which we have a lien. Shares may be transferred by a duly signed instrument of transfer in a form approved by the Board and the SGX-ST. The Board may also decline to register any instrument of transfer unless, among other things, it has been duly stamped and is presented for registration together with the share certificate and such other evidence of title as they may require. We will replace lost or destroyed certificates for Shares if we are properly notified and if the applicant pays a fee which will not exceed \$2 and furnishes any evidence and indemnity that the Board may require.

General Meetings of Shareholders

We are required to hold an Annual General Meeting every year. The Board may convene an Extraordinary General Meeting whenever it thinks fit and must do so if shareholders representing not less than 10% of the total voting rights of all shareholders request in writing that such a meeting be held. In addition, two or more shareholders holding not less than 10% of our issued share capital may call a meeting. Unless otherwise required by law or by the Articles, voting at general meetings is by ordinary resolution, requiring an affirmative vote of a simple majority of the votes cast at the meeting. An ordinary resolution suffices, for example, for the appointment of directors. A special resolution, requiring an affirmative vote of a simple majority of at least 75% of the votes cast at the meeting, is necessary for certain matters under Singapore law, including voluntary winding up, amendments to the Memorandum of Association and the Articles, a change of the corporate name and a reduction in the share capital, share premium account or capital redemption reserve fund. We have to give shareholders at least 14 days' notice in writing. The notice must be given to every shareholder entitled to receive notice from us and must set forth the place, the day and the hour of the meeting and, in the case of special business, the general nature of that business.

Voting Rights

A shareholder is entitled to attend, speak and vote at any general meeting, in person or by proxy. Proxies need not be a shareholder. A person who holds Shares through the CDP book-entry clearance system will only be entitled to vote at a general meeting as a shareholder if his name appears on the depository register maintained by CDP 48 hours before the general meeting. Except as otherwise provided in the Articles, two or more shareholders must be present in person or by proxy to constitute a quorum at any general meeting. Under the Articles, on a show of hands, every shareholder present in person and by proxy shall have one vote, and on a poll, every shareholder present in person or by proxy shall have one vote for each Share which he holds or represents. A poll may be demanded in certain circumstances, including by the chairman of the meeting or by any shareholder present in person or by proxy and representing not less than 10% of the total voting rights of all shareholders having the right to attend and vote at the meeting or by any two shareholders present in person or by proxy and entitled to vote.

Dividends

We may, by ordinary resolution of our shareholders, declare dividends at a general meeting, but we may not pay dividends in excess of the amount recommended by the Board. We must pay all dividends out of our profits or pursuant to section 69 of the Act. The Board may also declare an interim dividend. All dividends are paid pro rata among the shareholders in proportion to the amount paid up on each shareholder's Shares, unless the rights attaching to an issue of any Share provides otherwise. Unless otherwise directed, dividends are paid by cheque or warrant sent through the post to each shareholder at his registered address. Notwithstanding the foregoing, the payment by us to CDP of any dividend payable to a shareholder whose name is entered in the depository register shall, to the extent of payment made to CDP, discharge us from any liability to that shareholder in respect of that payment.

Liabilities of Ordinary Shares

Our Directors may from time to time as they think fit make calls upon shareholders in respect of any money unpaid on their Shares. If a sum in respect of such a call is not paid, the shareholder is liable to pay interest on the sum due. The shareholder is not entitled to receive any dividend nor exercise any privileges as a shareholder until he has paid all calls for the time being due together with interest or expenses (if any).

Bonus and Rights Issues

The Board, with approval of the shareholders at a general meeting, may capitalise any reserves or profits (including profit or moneys carried and standing to any reserve or to the share premium account) and distribute the same as bonus shares credited as paid-up to the shareholders in proportion to their shareholdings. The Board may also issue rights to take up additional Shares to shareholders in proportion to their shareholdings. Such rights are subject to any conditions attached to such issue.

Take-overs

The Act and the Singapore Code on Take-overs and Mergers (the “Singapore Take-over Code”) regulate the acquisition of ordinary shares of public companies and contain certain provisions that may delay, deter or prevent our future take-over or change in control. Any person acquiring an interest, either on his own or together with parties acting in concert with him, of between 25% and 50% of our voting shares must extend a take-over offer for the remaining voting shares in accordance with the provisions of the Singapore Take-over Code.

“Parties acting in concert” include a company and its related and associated companies; a company and its directors, including their relatives; a company and its pension funds; a person and any investment company, unit trust or other fund the investment in which that person manages on a discretionary basis; and a financial advisor and its client in respect of shares that the financial advisor holds and shares in the client that the financial advisor holds in funds and manages on a discretionary basis. An offer for consideration other than cash must carry a cash alternative at not less than the highest price that the offeror or parties acting in concert with the offeror pays within the preceding 12 months. A mandatory take-over offer is also necessary if a person holding, either on his own or together with parties acting in concert with him, between 25% and 50% of the voting shares acquires additional voting shares representing more than 3% of the voting shares in any 12-month period.

Any person acquiring an interest (either singly or acting in concert with others) in more than 50% of our voting shares must extend a take-over offer for the remaining voting shares in accordance with the Singapore Take-over Code, unless the Securities Industry Council of Singapore consents to a partial offer.

Liquidation or Other Return of Capital

If we are liquidated or in the event of any other return of capital, holders of Shares will be entitled to participate in our surplus assets in proportion to their shareholdings, subject to any special rights attaching to any other class of shares.

Indemnity

Our Articles provide that, subject to the Act, the Directors and officers shall be entitled to be indemnified by us against any costs, charges, losses, expenses and liabilities incurred in the execution and discharge of their duties or in relation thereto. We may not indemnify Directors and officers against any liability which by law would otherwise attach to them in respect of any negligence, default, breach of duty or breach of trust of which they may be guilty in relation to us.

Limitations on Rights to Hold or Vote Shares

Except as described in “Voting Rights” and “Take-overs” above, there are no limitations imposed by Singapore law or by the Articles on the rights of non-resident shareholders to hold or vote Shares.

Minority Rights

The rights of minority shareholders of Singapore-incorporated companies are protected under Section 216 of the Act, which gives the Singapore courts a general power to make any order, upon application by any of our shareholders, as they think fit to remedy any of the following situations:

- (a) our affairs are being conducted or the powers of the Board are being exercised in a manner oppressive to, or in disregard of the interests of one or more of our shareholders; or
- (b) we take an action, or threaten to take an action, or our shareholders pass a resolution, or propose to pass a resolution, which unfairly discriminates against, or is otherwise prejudicial to, one or more of our shareholders.

Singapore courts have wide discretion as to the reliefs they may grant and those reliefs are in no way limited to those in the Act itself. Without prejudice to the foregoing, Singapore courts may:

- (a) direct or prohibit any act or cancel or vary any transaction or resolution;
- (b) regulate the conduct of our affairs in the future;
- (c) authorise civil proceedings to be brought in our name, or on behalf of us, on such terms as the court may direct;
- (d) provide for the purchase of a shareholder's shares by the other shareholders or by us and, in the case of a purchase of shares by us, a corresponding reduction of our share capital;
- (e) provide that the Memorandum of Association or the Articles be amended; or
- (f) provide that we be wound up.

OWNERSHIP STRUCTURE AND PRINCIPAL SHAREHOLDERS

Restructuring Exercise

- (a) A share swap between the Company and Boh Tuang Poh, Yeo Wee Khim Cecilia and Ng Lay Hoon Pauline pursuant to which the Company acquired the entire issued and paid up capital of AT Reservation Network Pte Ltd for an aggregate consideration of \$303,232 based on AT Reservation Network Pte Ltd's NTA as at 29 February 2000. The acquisition was satisfied and credited as fully paid by the allotment and issue by the Company of an aggregate 303,232 ordinary shares of \$1.00 each issued at par, based on the NTA per share of the Company as at 29 February 2000, to the vendors and their nominated beneficiaries.
- (b) A share swap between the Company, AT Reservation Network Pte Ltd and the individual shareholders (the "Individual Shareholders") of Asia Travel Network Limited, Asia Travel Network Pty Ltd, AT Network Co., Ltd., AT Phil., Inc. and PT Asia Travelindo Nusantara (the "Acquired Subsidiaries"), pursuant to which the Company acquired through AT Reservation Network Pte Ltd the entire issued and paid up capital of the Acquired Subsidiaries for an aggregate consideration of \$1,042,725 based on the Acquired Subsidiaries' respective adjusted NTA as at 29 February 2000. The acquisition was satisfied and credited as fully paid by the allotment and issue by the Company of an aggregate of 1,042,725 ordinary shares of \$1.00 each issued at par, based on the NTA per share of the Company as at 29 February 2000, to the Individual Shareholders and their nominated beneficiaries in return for the allotment and issue by AT Reservation Network Pte Ltd of an aggregate 1,042,725 ordinary shares of \$1.00 each to the Company.
- (c) A share swap between the Company and San's Rent-A-Car Pte Ltd pursuant to which the Company acquired the entire issued and paid up capital of S.H. Tours Pte. Ltd. for a consideration of \$409,368 based on the audited NTA of S.H. Tours Pte. Ltd. as at 29 February 2000. The acquisition was satisfied by the allotment and issue by the Company of an aggregate 409,368 ordinary shares of \$1.00 each at par, based on the NTA per share of the Company as at 29 February 2000, to San's Rent-A-Car Pte Ltd and its nominated beneficiaries.
- (d) An investment and equity exchange agreement entered into between (a) the Company (b) STARTV.com Holdings (c) STAR-Travel.com (d) Boh Tuang Poh and (e) Yeo Wee Khim Cecilia on 3 March 2001 pursuant to which STARTV.com Holdings agreed to subscribe for 12% equity in the Company and the Company in turn agreed to subscribe for 12% equity in STAR-Travel.com, a joint venture company set up by STARTV.com Holdings. The 12% shareholding acquisition in STAR-Travel.com to be acquired by the Company was satisfied by the allotment and issue by the Company of an aggregate 239,363 ordinary shares of \$1.00 each to STARTV.com Holdings' nominee, STARTV ATC Holding Limited.

On 30 January 2001, the following transfers of shares took place amongst the shareholders:

- (a) Ang Eu Ching, Ang Eu Khoon, Ang Eu Meng, Ang Hock Hai, Bernardo Guzman Pilapil JR, Boh Tuang Poh, Cecilia Teo Lee Hong, Chirdsak Techavimol, Diana Gwek Hwa Deitch, Hartono Liman, Lesmina Tantra, Magdalene Yeo Wee Tiang, Maria Theresa Diaz Gonzales, Ng Lay Hoon Pauline, Ramblas Sastra, Reycey Dingal Khan, San's Rent-A-Car Pte Ltd, Yeo Wee Hiong Simon, Suhardi Liman, Suwannee Suviratvitayakit, Tsui Lam Sum, Wiwat Thansukhana, Yeo Swee Noy and Yeo Wee Khim Cecilia sold an aggregate 133,942 ordinary shares of \$1.00 each in the Company representing 6.71% of the issued share capital of the Company prior to the Placement to Essex Investment (Singapore) Pte Ltd (a company in which our Director, Dr Patrick Ngiam Mia Je has a 50% shareholding interest) to be satisfied in full by 4,464,750 shares of \$0.05 each in IPC Corporation Ltd;
- (b) Magdalene Yeo Wee Tiang, Ng Lay Hoon Pauline, Yeo Wee Hiong Simon and Yeo Wee Khim Cecilia sold 58,000 ordinary shares of \$1.00 each in the Company representing 2.91% of the issued share capital of the Company prior to the Placement at an aggregate consideration of \$875,000 to Joanna Yeo to be satisfied in full by cash consideration;

- (c) Ng Lay Hoon Pauline sold an aggregate of 39,484 ordinary shares of \$1.00 each in the Company representing 1.98% of the issued share capital of the Company prior to the Placement at an aggregate consideration of \$592,250 to Ang Eu Khoon, Tan Hood Ann and Yeo Wee Khim Cecilia to be satisfied in full by cash consideration; and
- (d) Suwannee Suviratvitayakit and Wiwat Thansukhana sold an aggregate 15,308 ordinary shares of \$1.00 each in the Company representing 0.77% of the issued share capital of the Company prior to the Placement at an aggregate consideration of 2,000,000 Thai Baht to Yeo Wee Khim Cecilia to be satisfied in full by cash consideration.

On 22 February 2001, Ng Lay Hoon Pauline, Yeo Wee Khim Cecilia and Yeo Wee Hiong Simon transferred at nominal consideration an aggregate 44,832 ordinary shares of \$1.00 each in the Company representing 2.25% of the issued share capital of the Company prior to the Placement to Ang Eu Khoon, Joanna Yeo and Tan Hood Ann.

On 6 March 2001, Ng Lay Hoon Pauline and Yeo Wee Hiong Simon sold an aggregate of 10,000 ordinary shares of \$1.00 each in the Company representing 0.50% of the issued share capital of the Company prior to the Placement at an aggregate consideration of \$100,000 to Joanna Yeo to be satisfied in full by cash consideration. On the same day, Joanna Yeo sold 25,000 ordinary shares of \$1.00 each in the Company representing 1.25% of the issued share capital of the Company prior to the Placement at a consideration of \$300,000 to Yeo Wee Khim Cecilia to be satisfied in full by cash consideration.

On 26 March 2001, Ng Lay Hoon Pauline transferred at nominal consideration an aggregate 3,200,000 ordinary shares of \$0.01 each in the company representing 1.60% of the issued share capital of the Company prior to the Placement to Ang Eu Khoon, Joanna Yeo and Tan Hood Ann.

Before Restructuring Exercise and Placement

The two subscription shares of \$1.00 each in the Company prior to the Restructuring Exercise were held by Boh Tuang Poh and Yeo Wee Khim Cecilia.

After the Restructuring Exercise, the Stock Consolidation and before the Placement

The shareholders of the Company and their respective shareholdings in the Company after the Restructuring Exercise, the Stock Consolidation and before the Placement are set out below:

	— Direct Interest —		— Indirect Interest —		— Total Interest —	
	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%
Directors						
Patrick Ngiam Mia Je ⁽¹⁾	—	—	8,929,500	6.71	8,929,500	6.71
Boh Tuang Poh	31,992,800	24.06			31,992,800	24.06
Ang Eu Khoon ⁽²⁾	3,432,400	2.58			3,432,400	2.58
Joanna Yeo ⁽³⁾	5,544,400	4.17			5,544,400	4.17
Lim Chuan Poh	—	—			—	—
Khoo Ho Tong	—	—			—	—
Executive Officers						
Yeo Wee Khim Cecilia ⁽³⁾	16,488,800	12.40			16,488,800	12.40
Yeo Wee Hiong Simon ⁽³⁾	9,879,700	7.43			9,879,700	7.43
Liu Soon Leong ⁽³⁾	—	—			—	—
Tsui Lam Sum	5,585,300	4.20			5,585,300	4.20

	— Direct Interest —		— Indirect Interest —		— Total Interest —	
	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%
Executive Officers						
Hartono Liman	1,311,800	0.99			1,311,800	0.99
Tan Hood Ann	2,333,400	1.75			2,333,400	1.75
Holders of 5% or more excluding Directors and Executive Officers						
San's Rent-A-Car Pte. Ltd. ⁽²⁾	14,052,000	10.57			14,052,000	10.57
Ng Lay Hoon Pauline	6,451,200	4.85			6,451,200	4.85
Essex Investment (Singapore) Pte Ltd ⁽¹⁾	8,929,500	6.71			8,929,500	6.71
STARTV ATC Holding Limited ⁽⁴⁾	15,957,600	12.00			15,957,600	12.00
Holders of less than 5% who are related to our Directors or Executive Officers						
Magdalene Yeo Wee Tiang ⁽³⁾	1,921,700	1.44			1,921,700	1.44
Ang Eu Ching ⁽²⁾	540,500	0.41			540,500	0.41
Ang Eu Meng ⁽²⁾	540,500	0.41			540,500	0.41
Ang Hock Hai ⁽²⁾	3,242,800	2.44	14,052,000	10.57	17,294,800	13.01
Yeo Swee Noy ⁽²⁾	2,161,900	1.63	14,052,000	10.57	16,213,900	12.19
Other Existing Shareholders⁽⁵⁾	2,614,000	1.96			2,614,000	1.96
Total	132,980,300	100.00				

Notes:

- (1) Patrick Ngiam Mia Je's indirect interest arises through his 50% shareholdings, in Essex Investment (Singapore) Pte Ltd. The other 50% shareholdings in Essex Investment (Singapore) Pte Ltd is held by his sibling, Benjamin Ngiam Mia Kiat. Essex Investment (Singapore) Pte Ltd was incorporated on 26 June 1981 in Singapore. As at the date of this Prospectus, it has an authorised capital of \$3,000,000 and an issued and paid-up capital of \$2,401,000. The directors and shareholders of the Company are Patrick Ngiam Mia Je and Benjamin Ngiam Mia Kiat. Patrick Ngiam Mia Je and Benjamin Ngiam Mia Kiat are siblings.
- (2) Ang Eu Khoon, Ang Eu Ching and Ang Eu Meng are siblings. Ang Hock Hai and Yeo Swee Noy are their parents. San's Rent-A-Car Pte Ltd was incorporated on 2 June 1976 in Singapore. As at the date of this Prospectus, it has an authorised capital of \$1,000,000 and an issued and paid-up capital of \$870,000. The directors of the Company are Ang Hock Hai and Yeo Swee Noy. The shareholders of the Company are Ang Hock Hai, Yeo Swee Noy and Ang Eu Meng.
- (3) Joanna Yeo, Yeo Wee Khim Cecilia, Yeo Wee Hiong Simon and Magdalene Yeo Wee Tiang are siblings. Liu Soon Leong is the husband of Joanna Yeo. Magdalene Yeo Wee Tiang is the general manager of our Singapore office.
- (4) STARTV ATC Holding Limited is a nominee of STARTV.com Holdings, both of which are ultimately owned by Star Television Limited. STARTV ATC Holding Limited was incorporated on 22 September 2000 in the British Virgin Islands. As at the date of this Prospectus, it has an authorised capital of US\$50,000 and an issued capital of US\$1.00. It is wholly owned by STARTV.com Holdings, which in turn was incorporated on 28 September 1999 in Bermuda with an authorised and issued capital of US\$12,000. STARTV.com Holdings is in turn wholly owned by Star Television Holdings Limited.
- (5) This comprises nine individual shareholders, none of whom are related to any of our Directors, Executive Officers or substantial shareholders.

After the Restructuring Exercise and the Placement

The shareholders of the Company and their respective shareholdings in the Company after the Restructuring Exercise and the Placement are set out below:

	— Direct Interest —		— Indirect Interest —		— Total Interest —	
	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%	Number of ordinary shares of \$0.015 each	%
Directors						
Patrick Ngiam Mia Je	—	—	8,929,500	5.71	8,929,500	5.71
Boh Tuang Poh	31,992,800	20.44			31,992,800	20.44
Ang Eu Khoon	3,432,400	2.19			3,432,400	2.19
Joanna Yeo ⁽¹⁾	5,544,400	3.54			5,544,400	3.54
Lim Chuan Poh ⁽²⁾	—	—			—	—
Khoo Ho Tong ⁽²⁾	—	—			—	—
Executive Officers						
Yeo Wee Khim Cecilia	16,488,800	10.54			16,488,800	10.54
Yeo Wee Hiong Simon	9,879,700	6.31			9,879,700	6.31
Liu Soon Leong ⁽¹⁾	—	—			—	—
Tsui Lam Sum	5,585,300	3.57			5,585,300	3.57
Hartono Liman	1,311,800	0.84			1,311,800	0.84
Tan Hood Ann	2,333,400	1.49			2,333,400	1.49
Holders of 5% or more excluding Directors and Executive Officers						
San's Rent-A-Car Pte. Ltd.	14,052,000	8.98			14,052,000	8.98
Ng Lay Hoon Pauline	6,451,200	4.12			6,451,200	4.12
Essex Investment (Singapore) Pte Ltd	8,929,500	5.71			8,929,500	5.71
STARTV ATC Holding Limited	15,957,600	10.20			15,957,600	10.20
Holders of less than 5% who are related to our Directors or Executive Officers						
Magdalene Yeo Wee Tiang	1,921,700	1.23			1,921,700	1.23
Ang Eu Ching	540,500	0.35			540,500	0.35
Ang Eu Meng	540,500	0.35			540,500	0.35
Ang Hock Hai	3,242,800	2.07	14,052,000	8.98	17,294,800	11.05
Yeo Swee Noy	2,161,900	1.38	14,052,000	8.98	16,213,900	10.36
Other Existing Shareholders	2,614,000	1.67			2,614,000	1.67
Public	23,500,000	15.02			23,500,000	15.02
Total	<u>156,480,300</u>	<u>100.00</u>				

Notes:

- (1) Liu Soon Leong, being our Executive Officer, will be offered 500,000 Reserved Shares representing approximately 0.32% of our post-Placement share capital. The number of Reserved Shares offered to him has been determined on the same basis as the number of Reserved Shares offered to other employees of the Group. As he is the husband of Joanna Yeo, should he accept these Reserved Shares, Joanna Yeo will be deemed to have an indirect interest in these Shares.
- (2) Our Independent Directors, Messrs Lim Chuan Poh and Khoo Ho Tong will each be offered 200,000 Reserved Shares pursuant to the Placement in anticipation of their future contributions to the Group. The Independent Directors may accept, dispose of or transfer all or part of their respective shareholding in our Company after the admission of our Company to the Official List of SGX-SESDAQ.

Save as disclosed above, none of our substantial shareholders, Directors or Executive Officers are related to one another.

MORATORIUM

To demonstrate their commitment to the Group, our Shareholders have given the following moratorium in respect of their Shares:

- (a) Ang Hock Hai, Boh Tuang Poh, Essex Investment (Singapore) Pte Ltd, Ng Lay Hoon Pauline, San's Rent-A-Car Pte. Ltd., Yeo Swee Noy, Yeo Wee Khim Cecilia and Yeo Wee Hiong Simon who in aggregate hold 93,198,700 Shares (the "Existing Shares") representing 59.56 per cent. of our issued and paid-up capital after the Placement, have undertaken that they will not realise or transfer:
 - (i) any part of their Existing Shares for a period of 12 months from the date of our admission to the Official List of SGX-SESDAQ (the "First Period"); and
 - (ii) more than 50% of the Existing Shares for a period of 12 months after the expiry of the First Period.
- (b) Ang Eu Ching, Ang Eu Khoon, Ang Eu Meng, Bernardo Guzman Pilapil JR, Cecilia Teo Lee Hong, Chirdsak Techavimol, Diana Gwek Hwa Deitch, Hartono Liman, Joanna Yeo, Lesmina Tantra, Maria Theresa Diaz Gonzales, Magdalene Yeo Wee Tiang, Ramblas Sastra, Reycy Dingal Khan, STARTV ATC Holding Limited, Suhardi Liman, Tan Hood Ann and Tsui Lam Sum, who in aggregate hold 39,781,600 Shares representing 25.42 per cent. of our issued and paid-up capital after the Placement, have undertaken that they will not realise or transfer any part of their existing Shares for a period of 12 months from the date of our admission to the Official List of SGX-SESDAQ.
- (c) Ang Hock Hai, Ang Eu Meng and Yeo Swee Noy, being the shareholders of the entire issued share capital of San's Rent-A-Car Pte. Ltd., have undertaken that they will not realise or transfer any part of their shares in San's Rent-A-Car Pte. Ltd. for a period of 24 months from the date of our admission to the Official List of SGX-SESDAQ.

RELATED PARTY TRANSACTIONS

The following details the significant transactions undertaken within the last three financial years in which the Directors, substantial shareholders or Executive Officers of the Company have had an interest:

SAN'S RENT-A-CAR

Prior to being a wholly-owned subsidiary of the Company, SH Tours was wholly-owned by San's Rent-A-Car. The shareholders of San's Rent-A-Car are members of Mr Ang Eu Khoon's family. Mr Ang Eu Khoon is our Director. San's Rent-A-Car (through its operating unit Sans' Tours & Car Rentals) has had the following transactions with SH Tours in the last three financial years:

(a) Purchase of Assets

SH Tours purchased three units of Trolley Buses ("SIA Hop-On") from San's Rent-A-Car in February 1999 at the price of \$243,682.35 per trolley. The SIA Hop-On is a tourist shuttle service which loops around the various attractions in the city area. It is run by SH Tours on behalf of Singapore Airlines and Singapore Airlines subsidises the running of the service with a monthly payment of up to \$23,000. The purchase prices are based on prevailing market rates for a specialised vehicle of the same type.

(b) Lease of Premises

SH Tours leases the following premises from San's Rent-A-Car:

Premises	Floor Area	Monthly Rental	Starting Date	Expiry Date
(i) #02-02/03 Kim Seng Plaza	754 sq ft	\$3300	1 January 2001	31 December 2001
(ii) #02-21 Kim Seng Plaza	189 sq ft	\$750	1 January 2001	31 December 2001
(iii) #02-28 Kim Seng Plaza	25 sq ft	\$55	1 January 2001	31 December 2001

The monthly rentals payable for the entire floor area are based on prevailing market rates and the leases are renewable on terms to be mutually agreed based on normal commercial terms.

(c) Lease of Coaches and Coach Transports

SH Tours also leases coaches from San's Rent-A-Car. These coaches are utilised in SH Tours' businesses and the rentals payable depend on the coach type and are based on prevailing market rates. In addition, San's Rent-A-Car's coaches are also involved in the transport of SH Tours' customers to and from the airport, hotels and other destinations. The transportation fees payable by SH Tours for each trip depends on the distance and number of passengers and are again based on prevailing market rates.

Coach Lease	Monthly Rate ⁽¹⁾	Units (as at 30 September 2000)
Kombi Minivan	\$1,500	2
19-21 Seater Coaches	\$2,330	16
40-44 Seater Coaches	\$3,600	4

Note:

(1) the rates include road tax with unlimited mileage, repair and maintenance cost but exclude the driver. It is intended that this arrangement continue on terms to be mutually agreed based on normal commercial terms.

SH Tours has further contracted with San's Rent-A-Car to supply the following on lease:

Coach Lease	Monthly Rate⁽¹⁾	Units
4th SIA Hop-On Trolley	\$4,200	1

Note:

(1) the rates include fuel, insurance, parking and maintenance but exclude the driver. It is intended that this arrangement continue on terms to be mutually agreed based on normal commercial terms.

(d) Management Fees

San's Rent-A-Car provided management services to SH Tours for which it was paid management fees of \$48,000 and \$96,000 in FY1998 and FY1999 respectively. These services were terminated when we acquired SH Tours.

(e) Other Services

San's Rent-A-Car further provides SH Tours with services such as telephone maintenance, use of copier machines and parking and also sells fuel to it. Parking service is provided at cost (as charged by the Urban Renewal Authority). The sale of fuel was previously charged at a fixed monthly rate of \$1,000 per SIA Hop-On trolley but since 1 July 2000 has been provided on a reimbursement basis. The rest of the services are provided at prevailing market rates. The sale of fuel and provision of parking services to San's Tours were terminated as of 1 July 2000 and it is intended that the rest of the services continue to be provided on terms to be mutually agreed based on normal commercial terms.

The value of the transactions between our Group and San's Rent-A-Car as a percentage of our total sales and purchases are as follows:

	Year ended 30 September					
	1998		1999		2000	
	\$'000	%	\$'000	%	\$'000	%
Sale of transportation packages	(26)	0.33	(13)	0.10	(28)	0.14
Purchase of SIA Hop-on	Nil	NA	731 ⁽¹⁾	NA	NA	NIL
Lease of Premises	39	0.99	39	0.82	39	0.48
Lease of Coaches	2,165	32.37	2,451	29.89	2,231	27.10
Management Fees	48	0.72	96	1.17	NA	NIL
Other Services	7	0.10	7	0.08	7	0.08

Note:

(1) the amounts have been capitalised and carried into the books as a depreciating asset.

SAN'S RENT-A-CAR, FOODBEST.COM PTE LTD AND SB NETWORK CO., LTD

(a) Website Developing Agreements

We have entered into the following website developing agreements with the parties below:

Parties	Value of Contract	Date of Agreement	Purpose
San's Rent-A-Car	\$30,000	11 April 2000	To develop website and website software for San's Rent-A-Car relating to the car auction business
Foodbest.com Pte Ltd ⁽¹⁾	200,000 baht	30 August 1999	To develop website and website software for Foodbest.com Pte Ltd relating to the online supermarket business. ⁽¹⁾

The fees paid in respect of the development of these website and the website software are comparable to prevailing market rates for contract of this nature.

Note:

- (1) Boh Tuang Poh, Yeo Wee Khim Cecilia, Joanna Yeo and Liu Soon Leong hold respectively 12%, 12%, 6%, and 6% shares in Foodbest.com Pte Ltd. Joanna Yeo is also a director of Foodbest.com Pte Ltd. Foodbest.com Pte Ltd is a company incorporated in Singapore and has an issued and paid-up capital of \$125,000. It is currently in the business of retailing foodstuff and groceries to consumers over the Internet.

(b) Website Maintenance Contracts

We have entered into the following website maintenance contracts with the parties below:

Parties	Value of Contract (Per Month)	Date of Agreement	Purpose
SB Network Co., Ltd	10,000 baht	31 March 2000	To host and maintain SB Network Co., Ltd's website for consumer shopping. ⁽¹⁾
Foodbest.com Pte Ltd	10,000 baht	31 March 2000	To host and maintain Foodbest.com Pte Ltd's website for consumer shopping.

The maintenance fees charged by us in respect of the maintenance of these websites are comparable to prevailing market rates for contract of this nature.

Note:

- (1) Boh Tuang Poh and Yeo Wee Khim Cecilia hold respectively 15% and 19% shares in SB Network Co., Ltd. Yeo Wee Khim Cecilia is also a director of SB Network Co., Ltd. SB Network Co., Ltd. is a company incorporated in Thailand and has an issued and paid-up capital of 1 million Baht. It is currently in the business of retailing niche products of Asian countries such as music CDs from Thailand to consumers over the Internet.

Loans to directors, shareholders and executive officers

Our Group had in the past extended loans and advances which were non-interest bearing to Boh Tuang Poh, Yeo Wee Khim Cecilia, Tsui Lam Sum and Yeo Wee Hiong Simon who are our substantial shareholders, Director and/or Executive Officers. The loans and advances made were for the purposes of personal investments made by these individuals as well as for the setting up of AT Reservation Network Pte Ltd, AT Phil., Inc and AT Network Co., Ltd.. Such companies were, prior to the Restructuring Exercise, owned directly by the said individuals. Pursuant to the Restructuring Exercise, these companies were folded into our Group. The net amounts outstanding as at the balance sheet dates for the respective financial periods are as follows:

	FY1998	FY1999	FY2000
Amounts owing to Group by shareholders, directors and executive officers	\$194,773	\$808,177	222,378

As at 31 October 2000, all loans and advances due and owing by the aforesaid individuals have been fully repaid. Such loans and advances are not expected to recur in the future.

Potential Conflicts of Interest

As at the date of this Prospectus, save as disclosed herein:

- (a) No Director, substantial shareholder or Executive Officer of our Group has any interest, direct or indirect, in any transactions to which our Company was or is to be a party;
- (b) No Director, substantial shareholder or Executive Officer of our Group has any interest, direct or indirect, in any company carrying on the same business or carrying on a similar trade as our Group; and
- (c) No Director, substantial shareholder or Executive Officer of our Group has any interest, direct or indirect, in any enterprise or company that is our Company's customer or supplier of goods or services.

San's Rent-A-Car

Mr Ang Eu Khoon's family owns San's Rent-A-Car. The latter is a company incorporated in Singapore with an issued and paid-up capital of \$870,000 and is engaged in the business of car rentals, leasing, coach charters and limousine transportation. This business may in the future be in competition with us in respect of its coach charter business. San's Rent-A-Car has undertaken that it will not compete with our Group in the seat-in coach business for a period from the date of this Prospectus to the date when San's Rent-A-Car ceases to be our substantial shareholder. Mr Ang Eu Khoon is not a shareholder of San's Rent-A-Car. He has also resigned as a staff member of San's Rent-A-Car with effect from 1 August 2000.

Ang Hock Hai

Our substantial shareholder, Mr Ang Hock Hai, is a personal guarantor of hire purchase facilities taken out by us for the purchase of three SIA trolley buses. Mr Ang Hock Hai has indicated that he has no intention of withdrawing his personal guarantee after we are listed on SGX-SESDAQ. Please refer to page 34 of this Prospectus for more details.

Guidelines for future related party transactions

All future transactions with related parties shall comply with the requirements of the SGX-ST Listing Manual. As required by Appendix 5 Clause 9(5) of the SGX-ST Listing Manual, the Company adopted a new set of Articles of Association which requires a Director to abstain from voting in any contract or arrangement in which he has a personal material interest. Save as disclosed above, the Directors are not aware of any existing material related party transactions.

The Audit Committee will review all future material related party transactions periodically to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company's shareholders.

The Board of Directors will also ensure that all disclosure requirements on related party transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards, are complied with. In addition, such transactions will also be subject to shareholders' approval if necessary under the SGX-ST Listing Manual.

PROPERTIES AND FIXED ASSETS

Properties

Our registered office and corporate headquarters is located at 1 Kim Seng Promenade, Great World City West Tower #13-07, Singapore 237994.

We currently do not own any properties. We lease the following properties for our business operations:

Description/Location	Tenure	Gross Area	Annual Rental
Unit 1402 Tern Commercial Building, 39-41 Granville Rd, Tsimshatsui Kowloon, Hong Kong	2 years beginning from 1 July 1999 to 30 June 2001	58 sq m	HKD103,116
1203-1204 Prestige Tower Emerald Ave. Ortigas Centre, Pasig City, Philippines	2 years beginning 15 January 2000 to 14 January 2002	213.063 sq m	PHP 1,180,540.20
Suite 20, 87 McLarty Ave, Joondalup, W.A. 6027, Australia	Period beginning 1 February 2000 to 31 January 2002	34 sq m	AUD 4,760.00
Lumpini Tower, 1168/61 21st Floor Rama 4 Rd, Tungmahamek Sathorn Bangkok 10120	1 June 1999 to 31 May 2002	253.29 sq m	Baht 519,751.08
Lumpini Tower, 1168/44 18th Floor Rama 4 Rd, Tungmahamek Sathorn Bangkok 10120	15 April 2000 to 14 April 2003	414 sq m	Baht 993,600.00
No.22 Cavenagh Road/Orchard Road, #02-05 Singapore 229617	Period beginning 1 December 1999 to 28 February 2002	711 sq ft	\$29,435.40
#02-02/03/21/28, 100 Kim Seng Road, Kim Seng Plaza, Singapore 239427	1 year beginning 1 January 2001 to 31 December 2001	1137 sq ft	\$49,260.00
1 Kim Seng Promenade, Great World City West Tower #13-07, Singapore 237994	3 years beginning 15 March 2000 to 14 March 2003	2,443 sq ft	\$120,781.92
JL Perjuangan No.21, Block P & Q, Jakarta — 11530, Indonesia	Period beginning 1 May 2001 to 31 December 2001	304 sq m	RP 60,300,000 (excluding tax)
Abdalla Bin Hadda Building, P.O. Box 27956 suite 105 Al Khan Street, Sharjah, UAE	Period beginning 1 June 2000 to 31 May 2001	130 sq m	Dhs 18,000

Our Directors do not foresee any difficulties in renewing the existing leases or finding alternative premises to replace expired leases at comparable rates, should the need arise. However, should the rental rates imposed by the new lessor be higher than our current rental rate, our rental costs will increase.

Other Fixed Assets

Please refer to the Accountants' Report on pages 93 to 110 of this Prospectus for details on our other fixed assets.

DIRECTORS' REPORT

2 April 2001

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

Dear Sirs

This report has been prepared for inclusion in the Prospectus to be dated 2 April 2001 in connection with the Placement in respect of 23,500,000 new Shares of par value \$0.015 each in the capital of Asiatravel.com Holdings Ltd (the "Company").

On behalf of the Directors of the Company, I report that, having made the due inquiry in relation to the interval between 30 September 2000, the date to which the last audited accounts of our Company and its subsidiaries were made up, and the date hereof:

- (a) in the opinion of the Directors, the business of the Company and its subsidiaries has been satisfactorily maintained;
- (b) in the opinion of the Directors, no circumstances have arisen since the last Annual General Meeting of the Company which would adversely affect the trading or the value of the assets of the Company and any of its subsidiaries;
- (c) the current assets of the Company and its subsidiaries appear in the books at values which are believed to be realisable in the ordinary course of business;
- (d) there are no contingent liabilities by reason of any guarantees given by the Company or its subsidiaries; and
- (e) save as disclosed on pages 81 and 82, 94 and 95, 109 of this Prospectus, there has been no change in the published reserves or any unusual factor affecting the profits of the Company and its subsidiaries since the date that the last audited accounts were made up to.

Yours faithfully
For and on behalf of the
Board of Directors

Boh Tuang Poh
Chief Executive Officer
Asiatravel.com Holdings Ltd

ACCOUNTANTS' REPORT

2 April 2001

The Board of Directors
Asiatravel.com Holdings Ltd
1 Kim Seng Promenade
Great World City West Tower #13-07
Singapore 237994

Dear Sirs,

A. INTRODUCTION

This report has been prepared for inclusion in the Prospectus of Asiatravel.com Holdings Ltd (the "Company") dated 2 April 2001 in connection with the placement (the "Placement") in respect of 23,500,000 new ordinary shares of \$0.015 each in the share capital of the Company comprising of 19,250,000 Placement Shares at \$0.20 for each Placement Share by way of placement and 4,250,000 Reserved Shares at \$0.20 for each Reserved Share reserved for the Independent Directors, employees, business associates of the Group and those who have contributed to the success of the Group.

(1) THE COMPANY

The Company was incorporated in Singapore on 1 December 1999 under the Companies Act, Chapter 50, as a private limited company under the name of Asiatravel.com Holdings Pte Ltd. The Company was converted into a public limited company on 1 March 2001 and changed its name to Asiatravel.com Holdings Ltd.

At the date of incorporation, the authorised share capital of the Company was \$100,000 divided into 100,000 ordinary shares of \$1.00 each. At the time of incorporation, 2 ordinary shares of \$1.00 each were issued to the subscribers to the Memorandum of Association. On 14 December 2000, the authorised share capital of the Company was increased from \$100,000 to \$5,000,000 by the creation of an additional 4,900,000 ordinary shares of \$1.00 each.

The Company is an investment holding company. It was formed to acquire subsidiary companies of the Group (as defined in Section A(3)) which are engaged in the following businesses:

- (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.

At the Extraordinary General Meetings held on 27 February 2001, the shareholders of the Company approved, *inter alia*, the following:

- (a) the conversion of the Company into a public limited company and the change of name to Asiatravel.com Holdings Ltd; and
- (b) the adoption of a new set of Articles of Association of the Company.

A. INTRODUCTION (*cont'd*)

At the Extraordinary General Meetings held on 16 March 2001, the shareholders of the Company approved, *inter alia*, the following:

- (a) the sub-division of ordinary shares of \$1.00 each in the authorised and issued paid-up share capital of the Company into ordinary shares of par value \$0.01 each;
- (b) that authority be given pursuant to section 161 of the Act to the Directors to issue such number of new shares which are the subject of the Placement. These shares, when issued, will rank *pari passu* in all respects with the existing shares; and
- (c) that authority be given pursuant to Section 161 of the Act to the Directors to issue shares in the Company at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued does not exceed 50 per cent. 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 existing shareholders of the Company does not exceed 20 per cent. of the issued share capital of the Company for the time being, and unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Pursuant to a shareholders' resolution in writing passed on 30 March 2001, the shareholders' of the Company approved, *inter alia*, the following:

- (a) the increase in the authorised share capital of the Company from \$5,000,000 to \$6,000,000 by creation of an additional 100,000,000 ordinary shares of \$0.01 each;
- (b) the issue of 1,450 ordinary shares of \$0.01 each at par for cash to a director, Boh Tuang Poh, and/or his nominated beneficiary; and
- (c) the consolidation of ordinary shares of \$0.01 each in the authorised and issued and paid-up share capital of the Company into ordinary shares of \$0.015 each.

At the date of this report, the issued and paid-up share capital is \$1,994,704.50 comprising of 132,980,300 ordinary shares of \$0.015 each.

(2) THE RESTRUCTURING EXERCISE

In connection with the Invitation, a restructuring exercise was undertaken on 30 January 2001 pursuant to which the Company became the holding company of the Proforma Group with effect from 29 February 2000. The Restructuring Exercise involved the following:

- (i) 1,345,957 ordinary shares in the Company of \$1 each at par were issued and credited as fully paid to acquire the entire issued and paid-up capital of AT Reservation Network Pte Ltd for a consideration of \$1,345,957 which was based on the net tangible asset value of AT Reservation Network Pte Ltd as at 29 February 2000.

Prior to this acquisition, AT Reservation Network Pte Ltd acquired the entire issued and paid up capital of:

- (a) AT Network Co., Ltd at its net tangible asset value of 9,213,917 Baht as at 29 February 2000 by way of an issue of 414,626 ordinary shares of \$1.00 each at par.
- (b) AT Phil., Inc at its net tangible asset value of 8,972,166 Pesos as at 29 February 2000 by way of an issue of 376,831 ordinary shares of \$1.00 each at par.
- (c) Asia Travel Network Limited at its net tangible asset value of HK\$989,895 as at 29 February 2000 by way of an issue of 218,767 ordinary shares of \$1.00 each at par.

A. INTRODUCTION (cont'd)

- (d) PT Asia Travelindo Nusantara at its net tangible asset value of IDR141,304,948 as at 29 February 2000 by way of an issue of 32,500 ordinary shares of \$1.00 each at par.
- (e) Asia Travel Network Pty Ltd as at 29 February 2000 by way of an issue of 1 ordinary share of \$1.00 each at par.
- (ii) 409,368 ordinary shares in the Company of \$1 each at par were issued and credited as fully paid to acquire the entire issued and paid-up capital of S.H. Tours Pte. Ltd. for a consideration of \$409,368 based on the net tangible asset value of S.H. Tours Pte. Ltd. as at 29 February 2000.

(3) THE GROUP

The Company and its subsidiary companies are collectively referred to as the "Proforma Group" or "Group".

The subsidiary companies in the Group as at the date of this report are as follows:

(i) *Subsidiary companies arising from Restructuring Exercise:*

Name of Company	Date and country of incorporation/ place of business	Issued and paid-up capital	Percentage of equity held by the Group	Principal activities
Subsidiary companies held by the Company				
AT Reservation Network Pte Ltd	22 April 1999 Singapore	\$1,142,725	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
S.H. Tours Pte. Ltd.	23 November 1991 Singapore	\$125,000	100%	Provision of tours and transportation packages.
Subsidiary companies held by AT Reservation Network Ltd				
AT Network Co., Ltd.	5 April 1999 Thailand	2,000,000 Baht	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT Phil., Inc	24 August 1999 Philippines	650,000 Pesos	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Limited	7 June 1999 Hong Kong	HK\$500,000	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
PT Asia Travelindo Nusantara	5 March 1999 Indonesia	IDR472,500,000	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
Asia Travel Network Pty Ltd	21 January 1999 Australia	A\$100,000	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.

A. INTRODUCTION (cont'd)

(ii) Subsidiary companies arising from incorporation:

Name of Company	Date and country of incorporation/place of business	Issued and paid-up capital	Percentage of equity held by the Group	Principal activities
Subsidiary companies held by AT Reservation Network Pte Ltd				
Asiatravel.com Inc	14 September 1999 United States of America	US\$100	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
Middle East Asia Tours LLC	5 June 2000 United Arab Emirates	150,000 Dirhams	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
ATSpanish.com Pte. Ltd.	18 February 2000 Singapore	\$2	100%	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT-Chinese.com Pte. Ltd.	18 February 2000 Singapore	\$100	90%	Provision of internet hotel reservation service, website membership and sale of tour packages.
ATJapanese.com Pte. Ltd.	18 February 2000 Singapore	\$100	90%	Provision of internet hotel reservation service, website membership and sale of tour packages.
AT-Chinese(HK) Limited	2 June 2000 Hong Kong	HK\$1,000,000	80%	Provision of internet hotel reservation service, website membership and sale of tour packages.
Hotelexchange.com Pte. Ltd.	18 February 2000 Singapore	\$200,000	75%	Provision of business-to-business hotel reservation service.
Hotel-Solution.com Pte. Ltd.	18 February 2000 Singapore	\$200,000	75%	Provision of internet hotel reservation software solutions.
Asiatravel Vietnam (S) Pte Ltd	20 January 2001 Singapore	\$25,000	70%	Provision of internet hotel reservation service and sale of tour packages.
Subsidiary company held by AT Network Co., Ltd				
AT E-Commerce Co., Ltd.	8 February 2000 Thailand	1,000,000 Baht	100%	Provision of electronic-commerce technical and consultancy service.
Subsidiary company held by AT Phil., Inc				
AT E-Commerce, Inc	25 July 2000 Philippines	160,000 Pesos	100%	Provision of electronic-commerce technical and consultancy service.
Subsidiary company held by PT Asia Travelindo Nusantara				
PT Internet Komersial Bisnis	15 February 2000 Indonesia	IDR149,200,000	100%	Provision of electronic-commerce technical and consultancy service.

B. FINANCIAL INFORMATION

The financial information set out in this report is expressed in Singapore dollars and shows the Statement of Proforma Group Results for the five financial years ended 30 September 1996 to 30 September 2000, the Summarised Proforma Group Balance Sheets as at the end of each of the four financial years ended 30 September 1996 to 30 September 1999 and the Summarised Balance Sheet of the Group as at the end of the financial year ended 30 September 2000, and the Statement of Net Assets of the Group and the Company as at 30 September 2000. The Statement of Proforma Group Results and Summarised Proforma Group Balance Sheets have been prepared on the assumption that the Group structure as outlined in Section A(3) has been in existence throughout the period covered by this report, or since the respective dates of incorporation of the companies in the Group, if later.

AT Reservation Network Pte Ltd was incorporated on 22 April 1999 and its principal activities are those of provision of internet hotel reservation service, website membership and sale of tour packages. AT Reservation Network Pte Ltd was also incorporated for purpose of acquiring the business, together with the assets and liabilities of Asia Web Pte Ltd. Prior to the restructuring exercise (as defined in Section A(2)), AT Reservation Network Pte Ltd and Asia Web Pte Ltd had the same shareholders. As at 30 September 1999, the business, together with the assets and liabilities of Asia Web Pte Ltd were transferred to AT Reservation Network Pte Ltd at its respective net tangible asset values.

AT Network Co., Ltd was incorporated on 5 April 1999 and its principal activities are those of provision of internet hotel reservation service, website membership and sale of tour packages. AT Network Co.,Ltd was also incorporated for purpose of acquiring the business, together with the assets and liabilities of Internet Asia Online Co., Ltd. Prior to the restructuring exercise (as defined in Section A(2)), AT Network Co., Ltd and Internet Asia Online Co., Ltd had the same shareholders. As at 30 September 1999, the business, together with the assets and liabilities of Internet Asia Online Co., Ltd were transferred to AT Network Co.,Ltd at its respective net tangible asset values.

AT Phil., Inc was incorporated on 24 August 1999 and its principal activities are those of provision of internet hotel reservation service, website membership and sale of tour packages. AT Phil., Inc was also incorporated for purpose of acquiring the business, together with the assets and liabilities of Asia Internet Online Corporation. Prior to the restructuring exercise (as defined in Section A(2)), AT Phil., Inc and Asia Internet Online Corporation had the same shareholders. As at 30 September 1999, the business, together with the assets and liabilities of Asia Internet Online Corporation were transferred to AT Phil., Inc at its respective net tangible asset values.

B. FINANCIAL INFORMATION (cont'd)

The financial information is based on the audited financial statements of the Company and the subsidiary companies, after making such adjustments as we considered appropriate in order to present the financial information on a consistent and comparable basis and on the basis of the accounting policies set out in Section D of this report.

The objective of the financial information of the Proforma Group is to show what the historical information might have been had the Group as described in Section A(3) existed throughout the financial years covered in this report. However, the financial information of the Proforma Group is not necessarily indicative of the results of the operations or the related effects on the financial position that would have been attained if the Group, as described above, actually existed earlier.

All material inter-group transactions and balances have been eliminated in the preparation of the Statement of Proforma Group Results and Summarised Proforma Group Balance Sheets.

We and certain other member firms of Ernst & Young International have been the auditors of the Company and its subsidiary companies since their respective dates of incorporation, except for S.H. Tours Pte. Ltd., PT Asia Travelindo Nusantara and Asia Travel Network Pty Ltd.

The financial statements of S.H. Tours Pte. Ltd. from the date of incorporation to the financial year ended 30 September 1998 were audited by Chio Lim & Associates. We have acted as the auditors of S.H. Tours Pte. Ltd. from the financial year ended 30 September 1999. PT Asia Travelindo Nusantara and Asia Travel Network Pty Ltd are audited by Johan Malonda & Rekan (Indonesia) and Peter Thomas & Associates (Australia), respectively, since the dates of their incorporation.

For the financial statements of those subsidiary companies not audited by us during the accounting periods covered by this report, we have carried out such work as we considered necessary to satisfy ourselves that the financial statements are appropriate and proper for the purpose of inclusion in this report. The auditor's reports of the subsidiary companies for the periods covered by this report were not qualified.

C(1). STATEMENT OF PROFORMA GROUP RESULTS

The Statement of Proforma Group Results for the financial years ended 30 September 1996 to 30 September 2000 is as follows:

		Year ended 30 September				
	Note	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000* \$'000
Turnover	E1	6,861	7,070	7,789	13,146	19,365
Profit before income tax	E2	22	262	419	1,457	2,802
Income tax	E3	—	(25)	(100)	(408)	(890)
Profit after income tax but before minority interest		22	237	319	1,049	1,912
Minority interest		—	—	—	—	45
Profit attributable to shareholders	C(2)	22	237	319	1,049	1,957

* Arising from the restructuring described in Section A(2), the Group as outlined in Section A(3), came into effect on 29 February 2000. However, for the purpose of comparability of financial information, the financial results of the period from 1 March 2000 to 30 September 2000 are included with those of the previous five months to arrive at the total results for the financial year ended 30 September 2000.

C(2). SUMMARISED BALANCE SHEETS

The following statement comprises the Summarised Balance Sheets of Proforma Group as at the end of each of the four financial years ended 30 September 1996 to 30 September 1999 and the Summarised Balance Sheet of the Group as at the end of the financial year ended 30 September 2000:

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Fixed assets	84	73	100	737	933
Website development costs	—	18	54	72	235
Deferred expenditure	—	—	—	—	327
Current assets	853	1,033	1,324	3,617	5,009
Current liabilities	(1,073)	(1,047)	(1,030)	(3,153)	(3,435)
Net current (liabilities)/assets	(220)	(14)	294	464	1,574
Non-current liabilities	—	—	(3)	(424)	(243)
	(136)	77	445	849	2,826
Represented by:					
Shareholders' equity	(136)	77	445	849	2,826

The movements in shareholders' equity is as follows:

	Note	Year ended 30 September				
		1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Balance brought forward		(156)	(136)	77	445	849
Add/(deduct):						
Profit attributable to the shareholders	C(1)	22	237	319	1,049	1,957
Issue of additional shares		—	1	42	220	17
Foreign exchange translation adjustment		(2)	(25)	7	(35)	(96)
Dividends proposed and paid		—	—	—	(830)	—
Minority interests		—	—	—	—	99
Balance carried forward		(136)	77	445	849	2,826

D. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies which have been consistently applied in preparing the financial information set out in this report are as follows:

(a) Basis of accounting

The financial statements of the Company and of the Group, which are expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with Singapore Statements of Accounting Standards.

(b) Basis of consolidation

The accounting year of the Company and all its subsidiary companies in the Group end on 30 September except for AT Network Co., Ltd which ends on 31 December. The consolidated financial statements incorporate the financial statements of the Company and all its subsidiary companies made up to 30 September.

The results of subsidiary companies acquired or disposed of during the year are included in or excluded from the respective dates of acquisition or disposal, as applicable. All material inter-company transactions and balances and resultant unrealised profits have been eliminated on consolidation.

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

(c) 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 company's website is recognised based on the period of membership during the financial year. Revenue from such services which is collected in advance of the services being rendered, is deferred and reflected as deferred income.

Revenue from the sale of tours 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.

(d) Fixed assets

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

D. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(e) Leased assets

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

(f) 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. An annual impairment review is carried out at each balance sheet date to assess whether the carrying value of the website development costs is in excess of the recoverable amount, and if the carrying value exceeds this recoverable amount, the asset is written down.

Website development costs comprises any directly attributable costs of website development activities which include payroll costs, costs of materials/services consumed, overheads and other related costs. 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.

(g) Stocks

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

(h) Deferred income tax

Deferred income tax is accounted for under the liability method whereby the income tax charge for the period is based on the disclosed book profit after adjusting for all permanent differences. The amount of income tax deferred on account of all timing differences is reflected in the deferred income tax account. Deferred income tax benefits are not recognised unless there is reasonable expectation of its realisation.

(i) Depreciation

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

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

D. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(j) *Deferred expenditure*

Deferred expenditure comprises Placement expenses, pre-operating and preliminary expenses. It is stated at cost less amounts written-off. Pre-operating and preliminary expenses are written off to the profit and loss account upon commencement of operations.

Placement expenses will be charged against the share premium account arising from the issue of the new ordinary shares, which form part of the Placement.

(k) *Foreign currency transactions*

Transactions arising in foreign currencies during the year are recorded in Singapore dollars at the rates closely approximating those ruling at the transaction dates. At the balance sheet date, foreign currency monetary assets and liabilities are reported into Singapore dollars at exchange rates ruling at that date. All exchange adjustments are included in the profit and loss account.

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. Such exchange adjustments are included in the foreign currency translation reserve.

E. NOTES TO STATEMENT OF PROFORMA GROUP RESULTS

1. Turnover

Turnover includes the following: –

- (i) Commission income earned for the reservation of hotel rooms and sale of hotel rooms via the internet less non-fulfilments, and annual membership fees derived from hotels;
- (ii) Invoiced value of the sale of tours and transportation packages after discounts and returns; and
- (iii) Service fees derived from the provision of electronic-commerce technical and consultancy fees.

The breakdown of turnover is as follows:

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Commission income	30	99	549	1,017	1,951
Sale of hotel rooms	—	—	209	3,234	7,815
Annual membership fees	90	146	200	168	187
Sale of tour and transportation packages	6,741	6,825	6,831	8,727	9,211
Service fees	—	—	—	—	201
	<u>6,861</u>	<u>7,070</u>	<u>7,789</u>	<u>13,146</u>	<u>19,365</u>

E. NOTES TO STATEMENT OF PROFORMA GROUP RESULTS (cont'd)

2. Profit before income tax

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Profit before income tax is stated after charging/(crediting):					
Amortisation of website development costs	—	3	19	43	50
Depreciation of fixed assets	27	32	29	195	251
Directors' remuneration					
— Directors of the Company	—	—	—	—	128
— Directors of the subsidiary companies	—	10	97	137	254
Fixed assets written off	—	4	25	—	—
Interest expense					
— bank overdrafts and loans	1	—	5	1	—
— hire purchase interest	—	—	—	21	32
Provision for doubtful trade debts	1	—	6	29	—
Foreign exchange adjustment loss	—	—	1	2	45
Unrealised exchange gain	—	(1)	(1)	(1)	(40)

3. Income tax

The income tax charge comprises:

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Current income tax					
— Singapore	—	—	46	214	421
— Overseas	—	24	52	194	469
Deferred income tax	—	1	2	—	—
	—	25	100	408	890

There is no income tax charge for the financial year ended 30 September 1996 as the companies in the Proforma Group were in an income tax loss position.

For the financial years ended 30 September 1997 and 1998, the income tax charge for the Proforma Group is lower than the amount determined by applying the Singapore income tax rate of 26% to the profit before income tax mainly because of the utilisation of the unabsorbed tax losses brought forward from previous years and the availability of corporate tax rebates.

For the financial years ended 30 September 1999 and 2000, the income tax charge for the Proforma Group is higher than the amount determined by applying the Singapore income tax rate of 26% and 25.5% respectively to the profit before income tax mainly because of certain non-deductible expenses in certain subsidiary companies.

The income tax charge for the Proforma Group is also affected by the different income tax rates applicable to overseas subsidiary companies.

E. NOTES TO STATEMENT OF PROFORMA GROUP RESULTS (cont'd)

4. Significant related party transactions

The Proforma Group has the following significant related party transactions with San's Rent-A-Car Pte Ltd, a company whose shareholders are also the shareholders of the Company. These transactions were effected at terms agreed between the parties during the financial years:

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Sale of transportation packages	(184)	(113)	(26)	(13)	(28)
Management fee	48	48	48	96	—
Lease of motor vehicles	1,491	1,748	2,165	2,451	2,231
Office rental	54	72	39	39	39
Purchase of motor vehicles	—	—	—	731	—

F. STATEMENT OF ADJUSTMENTS

The Statement of Proforma Group Results have been arrived at after taking into account the following adjustments:

	Year ended 30 September				
	1996 \$'000	1997 \$'000	1998 \$'000	1999 \$'000	2000 \$'000
Turnover					
Turnover as stated in the audited financial statements	6,861	7,070	7,789	13,150	19,668
Elimination of inter-company transactions	—	—	—	(4)	(303)
Turnover as stated in this report	6,861	7,070	7,789	13,146	19,365

G. STATEMENT OF NET ASSETS OF THE GROUP AND COMPANY

The following Statement of Net Assets sets out the net assets of the Group and the Company as at 30 September 2000:

	Note	Group \$'000	Company \$'000
Fixed assets	H1	933	67
Website development costs	H2	235	—
Investment in subsidiary companies		—	1,855
Deferred expenditure		327	327
Current assets			
Trade debtors	H3	1,373	—
Other debtors	H4	1,053	48
Amount due from related parties	H5	186	—
Stocks		16	—
Cash and bank balances		2,381	255
		<u>5,009</u>	<u>303</u>
Current liabilities			
Trade creditors	H6	697	—
Other creditors	H7	1,833	219
Amount due to related parties	H5	7	—
Amounts due to subsidiary companies	H8	—	646
Hire purchase creditors	H9	179	—
Provision for income tax		719	—
		<u>3,435</u>	<u>865</u>
Net current assets/(liabilities)		1,574	(562)
Non-current liabilities			
Hire purchase creditors	H9	(243)	—
		<u>2,826</u>	<u>1,687</u>
Represented by:			
Shareholders' equity		<u>2,826</u>	<u>1,687</u>

H. NOTES TO THE STATEMENT OF NET ASSETS OF THE GROUP AND COMPANY

1. Fixed assets

	Cost \$'000	Accumulated depreciation \$'000	Net book value \$'000
Group			
Office equipment	107	12	95
Computers	358	86	272
Motor vehicles	754	301	453
Furniture and fittings	106	20	86
Renovation	30	3	27
	<u>1,355</u>	<u>422</u>	<u>933</u>
Company			
Office equipment	10	1	9
Computers	32	5	27
Furniture and fittings	24	3	21
Renovation	11	1	10
	<u>77</u>	<u>10</u>	<u>67</u>

As at 30 September 2000, the net book value of motor vehicles of the Group under hire purchase agreements amounted to \$442,899.

2. Website development costs

	Cost \$'000	Accumulated amortisation \$'000	Net book value \$'000
Group			
Website development costs	<u>280</u>	<u>45</u>	<u>235</u>

3. Trade debtors

	Group \$'000	Company \$'000
Trade debtors consist of the following:		
External parties	1,297	—
Related parties	76	—
	<u>1,373</u>	<u>—</u>
Trade debtors are stated after deducting provision for doubtful debts of		
	<u>75</u>	<u>—</u>

H. NOTES TO THE STATEMENT OF NET ASSETS OF THE GROUP AND COMPANY (cont'd)

4. Other debtors

	Group \$'000	Company \$'000
Deposits	209	35
Prepayments	199	—
Other receivables	67	13
Staff advances	9	—
Loans to directors*	222	—
Sundry debtors	347	—
	<u>1,053</u>	<u>48</u>

* Loans to directors were settled in cash subsequent to year end.

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

5. Amount due from/(to) related parties

The amounts are non-trade related, unsecured, interest free and have no fixed terms of repayment. Related parties refer to companies in which certain Directors of the Company and the Company's subsidiary companies are also directors and/or shareholders.

6. Trade creditors

	Group \$'000	Company \$'000
Trade creditors consist of the following:		
External parties	695	—
Related parties	2	—
	<u>697</u>	<u>—</u>

7. Other creditors

	Group \$'000	Company \$'000
Accruals	825	219
Deferred income	802	—
Sundry creditors	206	—
	<u>1,833</u>	<u>219</u>

8. Amounts due to subsidiary companies

The amounts due to subsidiary companies are unsecured, interest free and have no fixed terms of repayment.

H. NOTES TO THE STATEMENT OF NET ASSETS OF THE GROUP AND COMPANY (cont'd)

9. Hire purchase creditors

	Group \$'000	Company \$'000
Repayable within one year	179	—
Repayable after one year	243	—
	<u>422</u>	<u>—</u>
	<u><u>422</u></u>	<u><u>—</u></u>
The future lease payments are as follows:		
2001	211	—
2002	211	—
2003	76	—
	<u>498</u>	<u>—</u>
Amount representing interest	(76)	—
	<u>422</u>	<u>—</u>
	<u><u>422</u></u>	<u><u>—</u></u>

10. Operating lease commitments

The Group leases certain properties under lease agreements that are non-cancelable within a year. Future minimum lease payments for the leases with initial or remaining terms of one year or more are as follows:

	Group \$'000
2001	169
2002	62
2003	11
	<u>242</u>
	<u><u>242</u></u>

I. NET TANGIBLE ASSET BACKING

The net tangible asset backing of the Group for each ordinary share of \$0.015 each is based on the Statement of Net Assets of the Group as at 30 September 2000 after taking into account the proceeds and estimated expenses from the issue of the new ordinary shares, which form part of the Placement.

	Group \$'000
Net assets as per Group balance sheet	2,826
Add : Proceeds from the issue of 23,500,000 new ordinary shares of \$0.015 each, which form the subject of the Placement	4,700
Less : Estimated expenses of the Placement	(2,000)
	<hr/>
Net tangible assets after issue of 23,500,000 new ordinary shares of \$0.015 each, which form the subject of the Placement	5,526
	<hr/> <hr/>
	Number of shares
Issued and fully paid ordinary shares of \$1.00 each on incorporation	2
Issue of shares pursuant to the Restructuring Exercise per Section A(2)	1,755,325
Issue of shares pursuant to the investment and equity exchange agreement per Section K	239,363
	<hr/>
Pre-Placement, ordinary shares of \$1.00 each	1,994,690
	<hr/> <hr/>
Sub-division into ordinary shares of \$0.01 each	199,469,000
Issue of 1,450 ordinary shares of \$0.01 each pursuant to the shareholders' resolution in writing passed on 30 March 2001 per Section A(1)	1,450
	<hr/>
	199,470,450
	<hr/> <hr/>
Consolidation of ordinary shares from \$0.010 each into \$0.015 each	132,980,300
New ordinary shares of \$0.015 each to be issued pursuant to the Placement	23,500,000
	<hr/>
Post-Placement, ordinary shares of \$0.015 each	156,480,300
	<hr/> <hr/>
	cents
Net tangible assets backing for each ordinary shares of \$0.015 each	
After Restructuring Exercise but before the Placement	2.13
	<hr/> <hr/>
After Restructuring Exercise and the Placement	3.53
	<hr/> <hr/>

J. DIVIDENDS

The Company has not paid or proposed any dividend since its incorporation.

K. SUBSEQUENT EVENTS

Subsequent to 30 September 2000, the Company entered into an investment and equity exchange agreement with STARTV.com Holdings Limited ("STARTV.com Holdings") to acquire an interest of 12% of the share capital of its wholly owned subsidiary company. This consists of 463,637 ordinary shares of US\$1.00 each at par in STAR-Travel.com Holdings.

Under the terms of the agreement, the settlement of the purchase consideration of the acquisition of this investment was made by the issue of 239,363 new ordinary shares of \$1.00 each of the Company at par to a nominee of STARTV.com Holdings, STARTV ATC Holding Limited.

L. GENERAL

No audited financial statements of the Company and the Group have been prepared for any period subsequent to 30 September 2000.

Yours faithfully,

ERNST & YOUNG
Certified Public Accountants
Partner : Yen Heng Fook
Singapore

GENERAL AND STATUTORY INFORMATION

INFORMATION ON DIRECTORS AND EXECUTIVE OFFICERS

1. The particulars, directorships, business and working experience of our Directors and Executive Officers are set out on pages 59 to 69 of this Prospectus.
2. The shareholdings of our Directors, Executive Officers and substantial shareholders are disclosed on pages 82 to 84 of this Prospectus.
3. Save as disclosed on pages 83 and 84 of this Prospectus, none of our Directors, Executive Officers and substantial shareholders are related to one another.
4. Save as disclosed on pages 86 to 89 of this Prospectus, none of our Directors or experts is interested, directly or indirectly, in the promotion of, or in any assets which have been acquired or disposed of, by, or leased to, our Company or any of our subsidiaries within the two years preceding the date of this Prospectus, or are proposed to be acquired or disposed of, by, or leased to, our Group.
5. Save as disclosed on page 89 of this Prospectus, none of our Directors, Executive Officers or substantial shareholders has any interest, direct or indirect, in any company carrying on a similar trade to our Group.
6. Save as disclosed on pages 86 to 89 of this Prospectus, none of our Directors is materially interested in any existing contract or arrangement which is significant in relation to the business of our Group taken as a whole.
7. Save as disclosed on pages 69 and 70 of this Prospectus, there are no existing or proposed service agreements between our Directors or our Executive Officers and our Company or any of our subsidiaries.
8. There is no shareholding qualification for our Directors under the Articles of Association of the Company.
9. In FY1999, our Director, Mr Boh Tuang Poh, was not remunerated. In FY2000, the aggregate remuneration and emoluments paid to our Directors amounted to approximately \$128,000. In FY2000, the estimated remuneration and emoluments paid to our Directors would have amounted to approximately \$286,000 had the Service Agreements been in place from beginning of FY2000.
10. Save as disclosed on pages 70 to 74 of this Prospectus, no options to subscribe for shares in or debentures of our Company or any of our subsidiaries has been granted to, or has been exercised by, any of our Directors or Executive Officers within the last financial year.
11. No sum or benefit has been paid or is agreed to be paid to any of our Directors or experts, or to any firm in which such Director or expert is a partner or any corporation in which such Director or expert holds shares or debentures, in cash or shares or otherwise, by any person to induce him to become, or to qualify him as, a Director, or otherwise for services rendered by him or by such firm or corporation in connection with the promotion or formation of our Company.

12. No Director or Executive Officer is or was involved in any of the following events:
- (a) a petition under any bankruptcy laws in any jurisdiction filed against him in the last 10 years;
 - (b) a petition under any bankruptcy laws in any jurisdiction filed against a partnership of which he was a partner in the last 10 years;
 - (c) a petition under any bankruptcy laws in any jurisdiction filed against any corporation of which he was a director or executive officer in the last 10 years;
 - (d) unsatisfied judgements outstanding against him;
 - (e) conviction for any offence, in Singapore or elsewhere, involving fraud or dishonesty punishable with imprisonment for 3 months or more, or charged for violation of any securities laws or been the subject of any such pending criminal proceeding;
 - (f) conviction for any offence, in Singapore or elsewhere, involving a breach of any securities or financial market laws, rules or regulations;
 - (g) received judgement against him in any civil proceeding in Singapore or elsewhere in the last 10 years involving fraud, misrepresentation or dishonesty or been the subject of any such pending civil proceeding;
 - (h) conviction in Singapore or elsewhere for any offence in connection with the information or management of any corporation;
 - (i) disqualification from acting as a director of any company, or from taking part in any way directly or indirectly in the management of any company;
 - (j) been the subject of any order, judgement or ruling of any court of competent jurisdiction, tribunal or governmental body permanently or temporarily enjoining him from engaging in any type of business practice or activity; and
 - (k) been concerned in Singapore or elsewhere with the management or conduct of affairs of any company or partnership which has been investigated by an inspector appointed under the provisions of the Companies Act, or other securities enactments or by any other regulatory body in connection with any matter involving the company or partnership occurring or arising during the period when he was so concerned with the company or partnership.

SHARE CAPITAL

13. As at the date of this Prospectus, there is only one class of shares in the capital of our Company. The rights and privileges of our Shares are stated in the Articles of Association of our Company. There are no founder, management or deferred shares.
14. The changes in the issued share capital of our Company and our subsidiaries within the three years preceding the date of this Prospectus are as follows:

Date of issue	Number of shares issued	Issue price	Consideration and purpose of Issue	Resultant issued share capital
Asiatravel.com				
1 December 1999	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
30 January 2001	1,755,325 ordinary shares of \$1.00 each	\$1.00	Please refer to Restructuring Exercise	\$1,755,327
8 March 2001	239,363 ordinary shares of \$1.00 each	\$1.00	Please refer to Restructuring Exercise	\$1,994,690
30 March 2001	1,450 ordinary shares of \$0.01 each	\$0.01	\$14.50/For consolidation of shares	\$1,994,704.50
AT Reservation Network				
22 April 1999	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
30 April 1999	1 ordinary share of \$1.00 each	\$1.00	\$1/Subsription	\$3.00
20 June 2000	99,997 ordinary shares of \$1.00 each	\$1.00	\$99,997/To provide additional working capital	\$100,000
30 January 2001	1,042,725 ordinary shares of \$1.00 each	\$1.00	Please refer to Restructuring Exercise	\$1,142,725
SH Tours				
4 June 1999	5,000 ordinary shares of \$1.00 each	\$1.00	\$5,000/To provide additional working capital	\$125,000
ATSpanish.com				
18 February 2000	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
ATJapanese.com				
18 February 2000	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
6 March 2000	98 ordinary shares of \$1.00 each	\$1.00	\$98/To provide working capital	\$100.00
AT-Chinese.com				
18 February 2000	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
6 March 2000	98 ordinary shares of \$1.00 each	\$1.00	\$98/To provide working capital	\$100.00
Hotelexchange.com				
18 February 2000	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
19 April 2000	99,998 ordinary shares of \$1.00 each	\$1.00	\$99,998/To provide working capital	\$100,000

Date of issue	Number of shares issued	Issue price	Consideration and purpose of Issue	Resultant issued share capital
28 September 2000	100,000 ordinary shares of \$1.00 each	\$1.00	\$100,000/To provide working capital	\$200,000
Hotel-Solution.com				
18 February 2000	2 ordinary shares of \$1.00 each	\$1.00	\$2/Incorporation	\$2.00
19 April 2000	99,998 ordinary shares of \$1.00 each	\$1.00	\$99,998/To provide working capital	\$100,000
28 September 2000	100,000 ordinary shares of \$1.00 each	\$1.00	\$100,000/To provide working capital	\$200,000
AT Network				
5 April 1999	20,000 ordinary shares of 100 baht each	100 baht	2,000,000 baht/To provide working capital	2,000,000 baht
AT Philippines				
24 August 1999	10,000 common shares of 50P each	50P	237,500P/Incorporation	237,500P
2 February 2000		50P	262,500P/Payment of outstanding partly paid up shares	500,000P
3 February 2000	3,000 common shares of 50P each	50P	150,000P/To provide working capital	650,000P
Asia Travel Network (Australia)				
21 January 1999	10 ordinary shares of AUS\$1.00 each	AUS\$1.00	AUS\$10/Incorporation	AUS\$10
25 May 2000	99,990 ordinary shares of AUS\$1.00 each	AUS\$1.00	AUS\$99,990/To provide working capital	AUS\$100,000
Asiatravel.com Inc.				
14 September 1999	100 ordinary shares of US\$1.00 each	US\$1.00	US\$100/Incorporation	US\$100
Asia Travel Network				
7 June 1999	500,000 ordinary shares of HK\$1.00 each	HK\$1.00	HK\$500,000/Incorporation	HK\$500,000
PT Asia Travelindo Nusantara				
5 March 1999	250 ordinary shares of Rp 100,000 each	Rp 100,000	Rp 25,000,000/Incorporation	Rp 25,000,000
1 October 1999	500 ordinary shares of Rp 78,750 each	Rp 78,750	Rp 14,375,000/Increase working capital	Rp 39,375,000
6 October 2000	5,500 ordinary shares of Rp 78,750 each	Rp 78,750	Rp 433,125,000/Increase working capital	Rp 472,500,000
PT Internet Komersial Bisnis				
15 February 2000	20,000 ordinary shares of Rp 7,460 each	Rp 7,460	Rp 149,200,000/Incorporation	Rp 149,200,000
Middle East Asia Tours				
5 June 2000	100 ordinary shares of 1,500 Dirhams each	1,500 Dirhams	150,000 Dirhams/Incorporation	150,000 Dirhams

Date of issue	Number of shares issued	Issue price	Consideration and purpose of Issue	Resultant issued share capital
AT E-Commerce Co. Ltd				
7 February 2000	10,000 ordinary shares of 100 baht each	100 baht	1,000,000 baht/Incorporation	1,000,000 baht
AT E-Commerce, Inc.				
21 July 2000	160,000 common shares of 1.00P each	1.00P	160,000P/Incorporation	160,000P
AT-Chinese (HK)				
2 June 2000	1,000,000 ordinary shares of HK\$1.00 each	HK\$1.00 each	HK\$1,000,000/Incorporation	HK\$1,000,000
Asiatravel Vietnam (S) Pte Ltd				
20 January 2001	2 ordinary shares of \$1.00 each	\$1.00 each	\$2.00/Incorporation	\$2.00
2 March 2001	24,998 ordinary shares of \$1.00 each	\$1.00 each	\$24,998/Provide additional working capital	\$25,000

15. Save as disclosed above and on pages 81 and 82, 94 and 95 of this Prospectus, no shares in or debentures of our Company have been issued or are agreed to be issued by our Company, as fully or partly paid-up and whether for cash or for a consideration other than cash, within the three years preceding the date of this Prospectus.
16. Save as disclosed on pages 70 to 74 of this Prospectus, no person has been, or is entitled to be, granted an option to subscribe for shares in or debentures of our Company or of our subsidiaries.
17. Other than the ordinary shares being offered in this Placement, there are no other shares of the same class being subscribed for or placed privately, nor are there shares of other classes being created for public or private placing simultaneous or almost simultaneous to this Placement.
18. There are no shares in the share capital of our Company that do not represent capital.
19. There are no shares in the Company that are held by or on behalf of the Company or by the subsidiaries of the Company.

ARTICLES OF ASSOCIATION

20. The provisions in the Articles of Association of our Company relating to directors’ voting powers, directors’ remuneration, directors’ borrowing powers, directors’ retirement, directors’ share qualification, rights pertaining to shares, convening of general meetings and alteration of capital are as follows:

Directors’ Voting Powers

Powers of
Directors to
Contract with
Company

96. (1) No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement with the Company either as vendor, purchaser or otherwise nor shall such contract or arrangement or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors in contracts or proposed contracts with the Company or of any office or property held by a Director which might create duties or interests in conflict with his duties or interests as a Director and any contract or arrangement to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the Exchange. No Director shall vote in respect of any contract, arrangement or transaction in which he is so interested as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote shall not be counted but this prohibition as to voting shall not apply to:
- (i) any arrangement for giving to him any security or indemnity in respect of money lent by him or obligations undertaken by him for the benefit of the Company; or
 - (ii) any arrangement for the giving by the Company of any security to a third party in respect of a debt or obligation of the Company for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the deposit of a security; or
 - (iii) any contract by him to subscribe for or underwrite shares or debentures of the Company; or
 - (iv) any contract or arrangement with any other company, corporation or body in which he is interested only as a director or other officer or creditor of or as a shareholder in or beneficially interested in the shares thereof.

- Relaxation Of restriction On voting
- (2) A Director, notwithstanding his interest, may be counted in the quorum present at any meeting where he or any other Director is appointed to hold any office or place of profit under the Company, or where the Directors resolve to exercise any of the rights of the Company (whether by the exercise of voting rights or otherwise) to appoint or concur in the appointment of a Director to hold any office or place of profit under any other company, or where the Directors resolve to enter into or make any arrangements with him or on his behalf pursuant to these Articles or where the terms of any such appointment or arrangements as hereinbefore mentioned are considered, and he may vote on any such matter other than in respect of the appointment of or arrangements with himself or the fixing of the terms thereof. Notwithstanding Articles 96(1)(i) to (iv) above, a Director shall not vote in respect to any contract or arrangement or proposed contract or arrangement in which he has directly or indirectly a personal material interest.
- Ratification by General Meeting
- (3) The provisions of this Article may at any time be suspended or relaxed to any extent and either generally or in respect of any particular contract, arrangement or transaction by the Company in General Meeting, and any particular contract, arrangement or transaction carried out in contravention of this Article may be ratified by Ordinary Resolution of the Company.
- Holding of Office in other Companies 97.
- (1) A Director may hold any other office or place of profit under the Company (except that of Auditor) and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall determine. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, purchaser, shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.
- Exercise of Voting power
- (2) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director of the Company may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.

Remuneration of Directors

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| Fees | 92. | (1) The fees of the Directors shall be determined from time to time by the Company in General Meetings and such fees shall not be increased except pursuant to an Ordinary Resolution passed at a General Meeting where notice of the proposed increase shall have been given in the notice convening the Meeting. Such fees shall be divided among the Directors in such proportions and manner as they may agree and in default of agreement equally, except that in the latter event any Director who shall hold office for part only of the period in respect of which such fee is payable shall be entitled only to rank in such division for the proportion of fee related to the period during which he has held office. |
| Extra Remuneration | (2) | Any Director who is appointed to any executive office or serves on any committee or who otherwise performs or renders services, which, in the opinion of the Directors, are outside his ordinary duties as a Director, may be paid such extra remuneration as the Directors may determine, subject however as is hereinafter provided in this Article. |
| Remuneration Of Director | (3) | Notwithstanding Article 92(2), the remuneration in the case of a Director other than an Executive Director shall be payable by a fixed sum and shall not at any time be by commission on or percentage of the profits or turnover, and no Director whether an Executive Director or otherwise shall be remunerated by a commission on or percentage of turnover. |
| Expenses | 93. | The Directors shall be entitled to be repaid all travelling or such reasonable expenses as may be incurred in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise howsoever in or about the business of the Company in the course of the performance of their duties as Directors. |
| Pensions to Directors and Dependants | 94. | Subject to the Act, the Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director or former Director who had held any other salaried office or place of profit with the Company or to his widow or dependants or relations or connections and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. |

Benefits for employees 95. The Directors may procure the establishment and maintenance of or participate in or contribute to any non-contributory or contributory pension or superannuation fund or life assurance scheme or any other scheme whatsoever for the benefit of and pay, provide for or procure the grant of donations, gratuities, pensions, allowances, benefits or emoluments to any persons (including Directors and other officers) who are or shall have been at any time in the employment or service of the Company or of the predecessors in business of the Company or of any subsidiary company, and the wives, widows, families or dependants of any such persons. The Directors may also procure the establishment and subsidy of or subscription and support to any institutions, associations, clubs, funds or trusts calculated to be for the benefit of any such persons as aforesaid or otherwise to advance the interests and well-being of the Company or of any such other company as aforesaid or of its Members and payment for or towards the insurance of any such persons as aforesaid, and subscriptions or guarantees of money for charitable or benevolent objects or for any exhibition or for any public, general or useful object.

Holding of Office in other Companies 97. (1) A Director may hold any other office or place of profit under the Company (except that of Auditor) and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director, and on such terms as to remuneration and otherwise as the Directors shall determine. A Director of the Company may be or become a director or other officer of, or otherwise interested in, any company promoted by the Company or in which the Company may be interested as vendor, purchaser, shareholder or otherwise, and no such Director shall be accountable to the Company for any remuneration or other benefits received by him as a director or officer of, or from his interest in, such other company unless the Company otherwise directs.

Borrowing Power of Directors

Directors' Borrowing Powers 124. The Directors may at their discretion exercise every borrowing power vested in the Company by its Memorandum of Association or permitted by law and may borrow or raise money from time to time for the purpose of the Company and secure the payment of such sums by mortgage, charge or hypothecation of or upon all or any of the property or assets of the Company including any uncalled or called but unpaid capital or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

Retirement Under Age Limit Requirement and Share Qualification

Qualifications 91. A Director need not be a Member and shall not be required to hold any share qualification in the Company and shall be entitled to attend and speak at General Meetings but subject to the provisions of the Act he shall not be of or over the age of 70 years at the date of his appointment.

Shares

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| Rights attached To certain Shares | 9. | (1) | Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears. |
| Variation Of rights | 10. | (1) | If at any time the share capital is divided into different classes, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Act, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of these Articles relating to General Meetings shall <i>mutatis mutandis</i> apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll. Provided always that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting. |
| Rights of Preference Shareholders | | (2) | The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a special resolution of the preference shareholders concerned. PROVIDED ALWAYS that where the necessary majority for such a special resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the Meeting, shall be as valid and effectual as a special resolution carried at the Meeting. |
| Form of Transfer Of shares | 21. | | Subject to these Articles, any Member may transfer all or any of his shares but every instrument of transfer of the legal title in shares must be in writing and in the form for the time being approved by the Directors and the Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Exchange. |
| Execution | 22. | | The instrument of transfer of a share shall be signed by or on behalf of the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository shall not be ineffective by reason of it not being signed or witnessed for by or on behalf of the Depository. The transferor shall be deemed to remain the holder of the share until the name of the transferee is entered in the Register of Members. |

Person under Disability	23.	No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.
Directors' Power to Decline to Register	24.	(1) Subject to these Articles, the Act or as required by the Exchange, there shall be no restriction on the transfer of fully paid up shares (except where required by law or the rules, by-laws or listing rules of the Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve. If the Directors shall decline to register any such transfer of shares, they shall give to both the transferor and the transferee written notice of their refusal to register as required by the Act.
Terms of Registration Of transfers	(2)	The Directors may decline to register any instrument of transfer unless: <ul style="list-style-type: none"> (i) such fee not exceeding \$2 (or such other sum as may be approved by the Exchange from time to time) as the Directors may from time to time require, is paid to the Company in respect thereof; (ii) the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors appoint accompanied by the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and (iii) the instrument of transfer is in respect of only one class of shares.
Closing of Register	26.	The Register of Members and the Depository Register may be closed at such times and for such period as the Directors may from time to time determine, provided always that the Registers shall not be closed for more than thirty days in the aggregate in any year. Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange, stating the period and purpose or purposes for which the closure is made.
Renunciation Of allotment	27.	(1) Nothing in these Articles shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person.

Indemnity Against Wrongful Transfer	(2)	Neither the Company nor its Directors nor any of its Officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other Officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.
Calls on Shares	32.	The Directors may from time to time make such calls as they think fit upon the Members in respect of any money unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the terms of the issue thereof made payable at fixed times, and each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be revoked or postponed as the Directors may determine.
Time when Made	33.	A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
Interest on Calls	34.	If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum due from the day appointed for payment thereof to the time of actual payment at such rate not exceeding ten per cent. per annum as the Directors determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part.
Sum due to Allotment	35.	Any sum (whether on account of the nominal value of the share or by way of premium) which by the terms of issue and allotment of a share becomes payable upon allotment or at any fixed date shall for all purposes of these Articles be deemed to be a call duly made and payable on the date on which, by the terms of issue, the same becomes payable, and in case of non-payment all the relevant provisions of the Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
Power to Differentiate	36.	The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payments.
Payment of Dividends	129.	The Directors may, with the sanction of the Company, by Ordinary Resolution declare dividends but (without prejudice to the powers of the Company to pay interest on share capital as hereinbefore provided) no dividend shall be payable except out of the profits of the Company.

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| Apportionment
Of dividends | 130. | Subject to the rights of holders of shares with special rights as to dividend (if any), all dividends shall be declared and paid according to the amounts paid on the shares in respect whereof the dividend is paid, but (for the purposes of this Article only) no amount paid on a share in advance of calls shall be treated as paid on the share. All dividends shall be apportioned and paid pro rata according to the amount paid on the shares during any portion or portions of the period in respect of which the dividend is paid, but if any share is issued on terms providing that it shall rank for dividend as from a particular date such shares shall rank for dividend accordingly. |
| Payment of
Preference And
interim
Dividends | 131. | Notwithstanding Article 130, if, and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may pay fixed preferential dividends on any express class of shares carrying a fixed preferential dividend expressed to be payable on a fixed date on the half-yearly or other dates (if any) prescribed for the payment thereof by the terms of issue of the shares, and subject thereto may also from time to time pay to the holders of any other class of shares interim dividends thereon of such amounts and on such dates as they may think fit. |
| Payment of
Dividend in
Specie | 138. | The Company may, upon the recommendation of the Directors, by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets and in particular of paid up shares or debentures of any other company or in any one or more of such ways, and the Directors shall give effect to such Resolution, and where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. |
| Distribution Of
assets in specie | 164. | If the Company is wound up (whether the liquidation is voluntary, under supervision or by the Court) the Liquidator may, with the authority of a Special Resolution, divide among the Members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds and may for such purpose set such value as he deems fair upon any one or more class or classes of property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The Liquidator may, with the like authority, vest the whole or any part of the assets in trustees upon such trusts for the benefit of Members as the Liquidator with the like authority thinks fit, and the liquidation of the Company may be closed and the Company dissolved, but no Member shall be compelled to accept any shares or other securities in respect of which there is a liability. |

General Meetings

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| Annual General Meeting | 60. | (1) | Subject to the provisions of the Act, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. |
| Extraordinary General Meetings | | (2) | All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings. |
| Calling of Extraordinary General Meetings | 61. | | The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened on such requisition or, in default, may be convened by such requisitionists as provided by Section 176 of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. |
| Notice of Meetings | 62. | (1) | Subject to the provisions of the Act as to Special Resolutions and special notice and the calling of meetings at short notice, at least fourteen days' notice in writing (exclusive both of the day on which the notice is served or deemed to be served and of the day for which the notice is given) of every General Meeting shall be given in the manner hereinafter mentioned to such persons (including the Auditors) as are under the provisions herein contained entitled to receive notice from the Company and at least fourteen days' notice of such Meeting shall be given by advertisement in the daily press and in writing to the Exchange. |
| | | (2) | The accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting. |
| Contents of Notice | 63. | (1) | Every notice calling a General Meeting shall specify the place and the day and hour of the Meeting and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member of the Company. |
| Notice of Annual General Meeting | | (2) | In the case of an Annual General Meeting, the notice shall also specify the Meeting as such. |
| Nature of Special Business To be Specified | | (3) | In the case of any General Meeting at which business other than routine business is to be transacted (special business), the notice shall specify the general nature of the special business, and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect. |

- Special Business 64. All business shall be deemed special that is transacted at any Extraordinary General Meeting, and all that is transacted at an Annual General Meeting shall also be deemed special, with the exception of sanctioning a dividend, the consideration of the accounts and balance sheet and the reports of the Directors and Auditors, and any other documents required to be annexed to the balance sheet, electing Directors in place of those retiring by rotation or otherwise and the fixing of the Directors' remuneration and the appointment and fixing of the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed. Any notice of a meeting called to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business.
- Quorum 65. No business shall be transacted at any General Meeting unless a quorum is present at the time the meeting proceeds to business. Save as herein otherwise provided, two Members present in person shall form a quorum. For the purpose of this Article, "Member" includes a person attending by proxy or by attorney or as representing a corporation which is a Member. Provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining the quorum; and (ii) where a Member is represented by more than one proxy such proxies shall count as only one Member for the purpose of determining the quorum.
- Adjournment if quorum not present 66. If within half an hour from the time appointed for the Meeting a quorum is not present, the Meeting if convened on the requisition of Members shall be dissolved. In any other case it shall stand adjourned to the same day in the next week at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned Meeting a quorum is not present within half an hour from the time appointed for holding the Meeting, the Meeting shall be dissolved.
- Resolutions in writing 67. Subject to the Act, a resolution in writing signed by every Member of the Company entitled to vote or being a corporation by its duly authorised representative shall have the same effect and validity as an Ordinary Resolution of the Company passed at a General Meeting duly convened, held and constituted, and may consist of several documents in the like form, each signed by one or more of such Members.
- Chairman 68. The Chairman of the Directors or, in his absence, the Deputy Chairman (if any) shall preside as Chairman at every General Meeting. If there is no such Chairman or Deputy Chairman or if at any Meeting he is not present within 15 minutes after the time appointed for holding the Meeting or is unwilling to act, the Members present shall choose some Director to be Chairman of the Meeting or, if no Director is present or if all the Directors present decline to take the Chair, some Member present to be Chairman.

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| Adjournment | 69. | The Chairman may, with the consent of any Meeting at which a quorum is present (and shall if so directed by the Meeting), adjourn the Meeting from time to time and from place to place, but no business shall be transacted at any adjourned Meeting except business which might lawfully have been transacted at the Meeting from which the adjournment took place. When a meeting is adjourned for fourteen days or more, notice of the adjourned Meeting shall be given as in the case of the original Meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned Meeting. |
| Method of Voting | 70. | <p>At any General Meeting a resolution put to the vote of the Meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded:</p> <ul style="list-style-type: none"> (i) by the Chairman of the meeting; or (ii) by at least two Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative and entitled to vote thereat; or (iii) by any Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing not less than one-tenth of the total voting rights of all the Members having the right to vote at the Meeting; or (iv) by a Member or Members present in person or by proxy (where a Member has appointed more than one proxy, any one of such proxies may represent that member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares in the Company conferring a right to vote at the Meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. <p>Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. Unless a poll is so demanded (and the demand is not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.</p> |
| Taking a poll | 71. | If a poll is duly demanded (and the demand is not withdrawn) it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of a poll shall be deemed to be the resolution of the Meeting at which the poll was demanded. The Chairman may, and if so requested shall, appoint scrutineers and may adjourn the Meeting to some place and time fixed by him for the purpose of declaring the result of the poll. |

Votes counted in error	72.	If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same Meeting or at any adjournment thereof, and not in that case unless it shall in the opinion of the Chairman be of sufficient magnitude.
Chairman's Casting vote	73.	Subject to the Act and the requirements of the Exchange, in the case of equality of votes, whether on a show of hands or on a poll, the Chairman of the Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a second or casting vote in addition to the votes to which he may be entitled as a Member or as proxy of a Member.
Time for Taking a poll	74.	A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.
Continuance Of business After demand For a poll	75.	The demand for a poll shall not prevent the continuance of a Meeting for the transaction of any business, other than the question on which the poll has been demanded.

Alteration of Capital

Power to Increase capital	50.	The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued shall have been fully called up or not, increase its capital by the creation of new shares of such amount as may be deemed expedient.
Rights and Privileges Of new shares	51.	Subject to any special rights for the time being attached to any existing class of shares, the new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the General Meeting resolving upon the creation thereof shall direct and if no direction be given as the Directors shall determine; subject to the provisions of these Articles and in particular (but without prejudice to the generality of the foregoing) such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the Company or otherwise.
Issue of New shares To Members	52.	(1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the Exchange's listing rules, all new shares shall before issue be offered to the Members in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled or hold. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article.

		(2) Notwithstanding Article 52(1) above but subject to the Act, the Directors shall not be required to offer any new shares to members to whom by reason of foreign securities laws such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members in such manner as they think most beneficial to the Company.
New shares Otherwise Subject to Provisions Of Articles	53.	Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original ordinary capital of the Company and shall be subject to the provisions of these Articles with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise.
Power to Consolidate, Cancel and Subdivide Shares	54.	(1) The Company may by Ordinary Resolution: <ul style="list-style-type: none"> (i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares; (ii) cancel any shares which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the amount of the shares so cancelled; (iii) subdivide its shares or any of them into shares of a smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Act), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and (iv) subject to the provisions of these Articles and the Act, convert any class of shares into any other class of shares.
Power to purchase or acquire its issued shares		(2) Subject to and in accordance with the provisions of the Act, the Company may authorise the Directors in General Meeting to purchase or otherwise acquire any of its issued ordinary shares on such terms as the Company may think fit and in the manner prescribed by the Act. All shares repurchased or otherwise reacquired by the Company shall be cancelled and the amount by which the Company's issued share capital is diminished on the cancellation of the shares repurchased or otherwise reacquired shall be transferred to an account called the "Capital Redemption Reserve".
Power to reduce capital	55.	The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or share premium account in any manner and subject to any incident authorised and consent required by law.

BANK BORROWINGS AND WORKING CAPITAL

21. Save as disclosed on pages 33 and 34 of this Prospectus and in the Accountants' Report, our Group had as at 30 September 2000 no other borrowings or indebtedness in the nature of borrowings, including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgage charges, hire purchase commitments, guarantees or other material contingent liabilities.
22. In the opinion of our Directors, no minimum amount must be raised by the issue of the Placement Shares in order to provide for the following items:
- (a) the purchase price of any property purchased or to be purchased which is to be defrayed in whole or in part out of the proceeds of the Placement;
 - (b) estimated expenses (including management and placement commissions of the Placement) payable by us;
 - (c) the repayment of any money borrowed by us in respect of any of the foregoing matters; and
 - (d) working capital.
- No amount is to be provided in respect of the matters aforesaid otherwise than out of the proceeds of the Placement.
23. Our Directors are of the opinion that, taking into account the present banking facilities and the net proceeds from the Placement, our Group has adequate working capital for its present requirements.

MATERIAL CONTRACTS

24. The following contracts (not being contracts entered into in the ordinary course of business by our Group) have been entered into by our Company and our subsidiaries, within the two years preceding the date of this Prospectus and are or may be material:
- (a) Service Agreements entered into between AT-Chinese (HK) Limited and Liu Soon Leong and Tan Hood Ann dated 5 October 2000 in respect of the terms of their services to AT-Chinese (HK) Limited and pursuant to which they are granted share options in AT-Chinese (HK) Limited;
 - (b) Letter of Undertaking entered into between the Company and Liu Soon Leong and Tan Hood Ann dated 5 October 2000 relating to their shareholdings in AT-Chinese (HK) Limited;
 - (c) Business Transfer Agreement entered into between AT Reservation Network Pte Ltd and Asia Web Pte Ltd dated 10 October 2000 in respect of the transfer of the business and undertakings of Asia Web Pte Ltd to AT Reservation Network Pte Ltd;
 - (d) Sale and Purchase Agreement entered into between the Company and San's Rent-A-Car Pte Ltd dated 30 January 2001 in respect of the sale and purchase of shares in S.H. Tours Pte. Ltd.;
 - (e) Sale and Purchase Agreement entered into between the Company and the vendors of shares in Asia Travel Network Limited, Asia Travel Network Pty Ltd, AT Phil., Inc., AT Network Co., Ltd and PT Asia Travelindo Nusantara (the "Acquired Subsidiaries") dated 30 January 2001 in respect of the sale and purchase of shares in the Acquired Subsidiaries;
 - (f) Sale and Purchase Agreement entered into between the Company and Boh Tuang Poh, Yeo Wee Khim Cecilia and Ng Lay Hoon Pauline dated 30 January 2001 in respect of the sale and purchase of shares in AT Reservation Network Pte Ltd;
 - (g) Investment and Equity Exchange Agreement entered into between (a) the Company (b) STARTV.com Holdings (c) STAR-Travel.com (d) Boh Tuang Poh and (e) Yeo Wee Khim Cecilia dated 3 March 2001 pursuant to which STARTV.com Holdings agreed to subscribe for 12% equity in the Company and the Company in turn agreed to subscribe for 12% equity in STAR-Travel.com (as supplemented by the letter of amendment dated 8 March 2001);

- (h) Shareholders' Agreement entered into between (a) the Company, (b) STARTV.com Holdings and (c) STAR-Travel.com dated 8 March 2001 relating to the management and operations of STAR-Travel.com;
- (i) Depository Agreement entered into between the Company and CDP dated 2 April 2001 pursuant to which CDP will act as the share depository for the Company;
- (j) Management and Placement Agreement entered into between the Company and DBS Bank dated 2 April 2001 pursuant to which DBS Bank will manage the Placement and subscribe or procure subscribers for the Placement Shares; and
- (k) Receiving Bank Agreement entered into between the Company and DBS Bank dated 2 April 2001 pursuant to which the Company appointed DBS Bank as the receiving bank in relation to the Placement.

EXCHANGE CONTROLS

25. There are no Singapore governmental laws, decrees, regulations or other legislation that may affect the following:
- (a) the import or export of capital, including the availability of cash and cash equivalents for use by the Group; and
 - (b) the remittance of dividends, interest or other payments to non-resident holders of the Company's securities.

LITIGATION

26. Neither our Company nor any of its subsidiaries is engaged in any litigation or arbitration proceedings either as plaintiff or defendant in respect of any claims or amounts which are material in the context of the Placement and the Directors have no knowledge of any proceedings, litigation or claims of material importance which are pending or threatened against our Company or any of its subsidiaries or of any facts likely to give rise to any such litigation, arbitration or claim.

MANAGEMENT AND PLACEMENT AGREEMENT

- 27 (a) Pursuant to the Management and Placement Agreement dated 2 April 2001 (the "Management and Placement Agreement") entered into between our Company and DBS Bank, we appointed DBS Bank to manage the Placement and subscribe or procure subscribers for the Placement Shares.
- (b) DBS Bank will receive a management fee from us.
 - (c) DBS Bank has also agreed to subscribe or procure subscribers for the Placement Shares for a placement commission of 1.5% of the Issue Price for the total number of Placement Shares, to be paid by the Company.
 - (d) Brokerage will be paid by our Company at the rate of 1% of the Issue Price for each Placement Share. The brokerage will be paid to DBS Bank, members of the SGX-ST, merchant banks and members of the Association of Banks in Singapore in respect of successful applications made on Application Forms bearing their respective stamps.
 - (e) Save as aforesaid, no commission, discount or brokerage has been paid or other special term granted within the two years preceding the date of this Prospectus or is payable by us to any Director, promoter, expert, proposed director or any other person for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any of our Shares or debentures.
 - (f) The Management and Placement Agreement may be terminated by DBS Bank at any time on or before the close of the Application List on the occurrence of certain events including, *inter alia*, any change or prospective changes in the political, financial, industrial, economic, legal or monetary conditions in Singapore or internationally which would in the reasonable opinion of DBS Bank, *inter alia*, be likely to result in a material adverse fluctuation or

adverse conditions in the stock market in Singapore or prejudice the success of the Placement.

MISCELLANEOUS

28. The nature of the business of our Company is stated on pages 40 to 58 of this Prospectus. At the date of this Prospectus, all the corporations listed below, none of which is listed on any stock exchange, are by virtue of Section 6 of the Act, deemed to be related to our Company:

Name of Company	Principal Business	Equity Held by our Company
AT Reservation Network Pte Ltd	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
S.H. Tours Pte. Ltd.	Provision of tours and transportation packages	100%
Name of Company	Principal Business	Equity Held by AT Reservation Network Pte Ltd
Asia Travel Network Pty Ltd	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
Asia Travel Network Limited	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
Asiatravel.com Inc.	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
AT E-Commerce Co., Ltd.	Provision of electronic-commerce technical and consultancy service	100%
AT E-Commerce, Inc.	Provision of electronic-commerce technical and consultancy service	100%
AT Network Co., Ltd.	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
AT Phil., Inc.	Provision of internet hotel reservation service, website membership and sale of tour packages.	100%
ATSpanish.com Pte. Ltd.	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
AT-Chinese (HK) Limited	Provision of internet hotel reservation service, website membership and sale of tour packages	80%
AT-Chinese.com Pte. Ltd.	Provision of internet hotel reservation service, website membership and sale of tour packages	90%
ATJapanese.com Pte. Ltd.	Provision of internet hotel reservation service, website membership and sale of tour packages	90%
Hotelexchange.com Pte. Ltd.	Provision of business-to-business hotel reservation service	75%
Hotel-Solution.com Pte. Ltd.	Provision of internet hotel reservation software solutions	75%
Middle East Asia Tours LLC	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
PT Asia Travelindo Nusantara	Provision of internet hotel reservation service, website membership and sale of tour packages	100%
PT Internet Komersial Bisnis	Provision of electronic-commerce technical and consultancy service	100%
Asiatravel Vietnam (S) Pte Ltd	Provision of internet hotel reservation service and sale of tour packages	70%

29. The time of opening of the Application List is set out on page 8 of this Prospectus.
30. The amount payable on application is \$0.20 for each Placement Share. There has been no previous issue of shares by our Company or offer for subscription of its Shares to the public within the two years preceding the date of this Prospectus. We have not paid any amount within the two years preceding the date of this Prospectus as commission, and there is no amount payable, to any of our Directors, proposed directors, promoters or experts for subscribing or agreeing to subscribe, or procuring or agreeing to procure subscription, for any of our shares or debentures.
31. Application moneys received by our Company in respect of successful applications (including successful applications which are subsequently rejected) will be placed in a separate non-interest bearing account with the Receiving Bank. There is no sharing arrangement between the Receiving Bank and our Company in respect of interest or revenue or any other benefit in respect of the deployment of the application moneys in the inter-bank money market. Any refund of the application moneys to unsuccessful applicants will be made without any interest or share of revenue or other benefit arising therefrom.
32. No property has been purchased or acquired or proposed to be purchased or acquired by our Group which is to be paid for, wholly or partly, out of the proceeds of the Placement or the purchase or acquisition of which has not been completed at the date of this Prospectus, other than property the contract for the purchase or acquisition whereof was entered into in the ordinary course of business of our Company or our subsidiaries, such contract not being made in contemplation of the Placement nor the Placement in consequence of the contract.
33. The estimated expenses in connection with the Placement, including, placement commission, brokerage, management fee and other incidental expenses in relation to the Placement, are approximately \$2.0 million, which amount is payable by our Company. The listing fee and other fees payable to the SGX-ST for the listing application are also payable by our Company.
34. An estimated breakdown of the \$2.0 million expenses incurred in relation to this Placement is as follows:
 - (a) Placement commission and brokerage fees — \$0.1 million;
 - (b) Professional fees — \$1.3 million;
 - (c) Listing and other related expenses — \$0.2 million; and
 - (d) Miscellaneous expenses — \$0.4 million.
35. No amount, benefit, cash or securities has been paid or given to any promoter within the two years preceding the date of this Prospectus or is proposed or intended to be paid or given to any promoter. Our Directors are not aware of any material information, including trading factors or risks, which are not mentioned elsewhere in this Prospectus and which are unlikely to be known or anticipated by the general public and which could materially affect the profits of our Group.
36. Save as disclosed in this Prospectus, the financial condition and operations of our Group are not likely to be affected by any of the following:
 - (a) known trends, demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in our Group's liquidity increasing or decreasing in any material way;
 - (b) material commitments for capital expenditure;
 - (c) unusual or infrequent events or transactions or significant economic changes that will materially affect the amount of reported income from operations; or
 - (d) known trends or uncertainties that have had or that our Group reasonably expects will have a material favourable or unfavourable impact on revenues or operating income.

37. No Shares will be allotted on the basis of this Prospectus later than six months after the date of this Prospectus.
38. Our Company currently intends to continue to appoint Ernst & Young as the auditors of our Company after the listing of our Company on the Official List of the SGX-SESDAQ.

CONSENTS

39. (a) The Auditors and Reporting Accountants have given and have not withdrawn their written consent to the issue of this Prospectus with the inclusion herein of the Accountants' Report, in the form and context in which it is included, and references to their name in the form and context in which they appear in this Prospectus and to act in such respective capacities in relation to this Prospectus.
- (b) The Manager and Placement Agent, the Solicitors to the Placement, the Principal Banker and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Prospectus with the inclusion herein of and references to their respective names in the form and context in which they respectively appear in this Prospectus and to act in such respective capacities in relation to this Prospectus.

RESPONSIBILITY STATEMENT BY OUR DIRECTORS

40. This Prospectus has been seen and approved by our Directors and they collectively and individually accept full responsibility for the accuracy of the information given herein and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Prospectus are fair and accurate in all material respects as at the date of this Prospectus and there are no material facts the omission of which would make any statements herein misleading; that this Prospectus constitutes full and true disclosure of all material facts about the Placement and our Group.

STATEMENT BY THE MANAGER

41. DBS Bank, as the Manager, acknowledges that, after due and careful enquiry and to the best of its knowledge and belief, based on information furnished to it by the Group, this Prospectus constitutes full and true disclosure of all material facts about the Placement and the Group; and it is not aware of any other material facts the omission of which would make any statements herein misleading in any material respect.

DOCUMENTS FOR INSPECTION

42. Copies of the following documents may be inspected at our registered office during normal business hours for a period of six months from the date of this Prospectus:
 - (a) the Memorandum and Articles of Association of our Company;
 - (b) the Accountants' Report as set out on pages 93 to 110 of this Prospectus;
 - (c) the Service Agreements referred to on pages 69 and 70 of this Prospectus;
 - (d) the Directors' Report as set out on page 92 of this Prospectus;
 - (e) the material contracts referred to on pages 129 and 130 of this Prospectus;
 - (f) the letters of consent referred to on page 133 of this Prospectus; and
 - (g) the audited accounts of our Company and our subsidiaries for the financial years ended 30 September 1998, 30 September 1999 and 30 September 2000.

APPENDIX A: TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION

Applications are invited for the subscription of Placement Shares subject to the following terms and conditions:-

1. **APPLICATIONS FOR PLACEMENT SHARES MUST BE MADE IN LOTS OF 1,000 SHARES AND HIGHER INTEGRAL MULTIPLES THEREOF. APPLICATIONS FOR ANY OTHER NUMBER OF SHARES WILL BE REJECTED.**
2. Applications for Placement Shares (other than Reserved Shares) may only be made by way of Placement Shares Application Forms. Applications for Reserved Shares may only be made by way of Reserved Shares Application Forms. **APPLICANTS MAY NOT USE CPF FUNDS TO APPLY FOR THE PLACEMENT SHARES.**
3. **Only one application for Placement Shares may be made for the benefit of one person (other than in respect of Reserved Shares).**

A person, other than an approved nominee company, who is submitting an application in his own name should not submit any other application (other than for Reserved Shares) for any other person. Such separate applications shall be deemed to be multiple applications and shall be rejected.

An applicant for Reserved Shares using the Reserved Shares Application Form may submit one separate application for Placement Shares (other than Reserved Shares) by way of an Application Form provided he adheres to the terms and conditions of this Prospectus. Such separate applications shall not be treated as multiple applications.

Joint or multiple applications shall be rejected. Persons submitting or procuring submissions of multiple share applications may be deemed to have committed an offence under the Penal Code (Chapter 224) of Singapore and the Securities Industry Act (Chapter 289) of Singapore, and such applications may be referred to the relevant authorities for investigation.

4. Applications will not be accepted from any person under the age of 21 years, undischarged bankrupts, sole-proprietorships, partnerships, chops or non-corporate bodies, joint Securities Account holders of CDP and applicants whose addresses (furnished in their Application Forms) bear post office box numbers.
5. The existence of a trust will not be recognised. Any application by a trustee or trustees must be made in his/her/their own name(s) and without qualification. Applications made by way of an Application Form in the name(s) of an approved nominee company or approved nominee companies must comply with paragraph 6 below.
6. **NOMINEE APPLICATIONS MAY BE MADE BY APPROVED NOMINEE COMPANIES ONLY.** Approved nominee companies are defined as banks, merchant banks, finance companies, insurance companies, licensed securities dealers in Singapore and nominee companies controlled by them. Applications made by persons acting as nominees other than approved nominee companies shall be rejected.

7. **FOR NON-NOMINEE APPLICATIONS, EACH APPLICANT MUST MAINTAIN A SECURITIES ACCOUNT WITH CDP IN HIS OWN NAME AT THE TIME OF HIS APPLICATION.** An applicant without an existing Securities Account with CDP in his own name at the time of his application will have his application rejected. An applicant with an existing Securities Account who fails to provide his Securities Account number or who provides an incorrect Securities Account number in section B of the Application Form is liable to have his application rejected. Subject to paragraph 8 below, an application shall be rejected if the applicant's particulars such as name, NRIC/passport number, nationality and permanent residence status provided in his Application Form differ from those particulars in his Securities Account as maintained with CDP. If the applicant possesses more than one individual direct Securities Account with CDP, his application shall be rejected.
8. **If the address of an applicant stated in the Application Form is different from the address registered with CDP, the applicant must inform CDP of his updated address promptly, failing which the notification letter on successful allotment and other correspondence from the CDP will be sent to his address last registered with CDP.**
9. **The Company reserves the right to reject any application which does not conform strictly to the instructions set out in the Application Form and this Prospectus or with the terms and conditions of this Prospectus or which is illegible, incomplete, incorrectly completed or which is accompanied by an improperly drawn remittance. The Company further reserves the right to treat as valid any applications not completed or submitted or effected in all respects in accordance with the terms and conditions of this Prospectus and also to present for payment or other processes all remittances at any time after receipt and to have full access to all information relating to, or deriving from, such remittances or the processing thereof.**
10. The Company reserves the right to reject or accept any application or to accept any application in part only without assigning any reason thereof, and no enquiry and/or correspondence on the decision of the Company will be entertained. This right applies to applications made by way of Application Forms. In deciding the basis of acceptance, due consideration will be given to the desirability of allotting the Shares to a reasonable number of applicants with a view to establishing an adequate market for the Shares.
11. Share certificates will be registered in the name of CDP and will be forwarded only to CDP. It is expected that CDP will send to each successful applicant, at his own risk, within 15 Market Days after the close of the Application List, a statement of account stating that his Securities Account has been credited with the number of Placement Shares allotted to him. This will be the only acknowledgement of application moneys received and is not an acknowledgement by the Company. Each applicant irrevocably authorises CDP to complete and sign on his behalf as transferee or renounee any instrument of transfer and/or other documents required for the issue or transfer of the Placement Shares allotted to the applicant.
12. By completing and delivering an Application Form in accordance with the provisions herein, each applicant:–
 - (a) irrevocably offers to subscribe for the number of Placement Shares specified in his application (or such smaller number for which the application is accepted) at the Issue Price and agrees that he will accept such Shares as may be allotted to him, in each case on the terms of, and subject to the conditions set out in, the Prospectus and the Memorandum and Articles of Association of the Company; and
 - (b) warrants the truth and accuracy of the information provided in his application.
13. Any Reserved Shares not taken up will be made available to satisfy other applications for the Placement Shares to the extent that there is an over-subscription for Placement Shares.

In the event of an under-subscription for Placement Shares as at the close of the Application List, the number of Placement Shares under-subscribed shall be subscribed by the Placement Agent.

14. Each applicant irrevocably authorises CDP to disclose the outcome of his application, including the number of Placement Shares allotted to the applicant pursuant to his application, to authorised operators.
15. Acceptance of applications will be conditional upon, *inter alia*, the Company being satisfied that:–
 - (a) permission has been granted by the SGX-ST to deal in and for quotation of all the existing Shares and the Placement Shares on the Official List of SGX-SESDAQ; and
 - (b) the Management and Placement Agreement referred to on pages 130 to 131 of this Prospectus have become unconditional and have not been terminated or cancelled prior to such date as the Company may determine.
16. No application will be held in reserve.
17. No Shares will be allotted on the basis of this Prospectus later than six months after the date of this Prospectus.
18. Additional terms and conditions for applications by way of Application Forms are set out on pages 136 to 139 of this Prospectus.
19. Any reference to the “applicant” in this section shall include a person applying for Placement Shares through the Placement Agent, or a person applying for Reserved Shares by way of a Reserved Shares Application Form.
20. The Issue Price for each Placement Share is \$0.20.

ADDITIONAL TERMS AND CONDITIONS FOR APPLICATIONS USING APPLICATION FORMS

Applications by way of Application Forms shall be made on and subject to the terms and conditions of this Prospectus including but not limited to the terms and conditions appearing below as well as those set out under the section on “TERMS AND CONDITIONS AND PROCEDURES FOR APPLICATION” on pages 134 to 136 of this Prospectus, as well as the Memorandum and Articles of Association of the Company.

1. Applications must be made using the **BLUE** Application Forms for Placement Shares (other than Reserved Shares) and the **PINK** Application Forms for Reserved Shares accompanying and forming part of this Prospectus. Attention is drawn to the detailed instructions contained in the Application Forms and this Prospectus for the completion of the Application Forms which must be carefully followed. **The Company reserves the right to reject applications which do not conform strictly to the instructions set out in the Application Forms and this Prospectus or to the terms and conditions of this Prospectus or which are illegible, incomplete, incorrectly completed or which are accompanied by improperly drawn up or improper form of remittances.**
2. The Application Forms must be completed in English. Please type or write clearly in ink using **BLOCK LETTERS**.
3. All spaces in the Application Forms except those under the heading “FOR OFFICIAL USE ONLY” must be completed and the words “NOT APPLICABLE” or “N.A.” should be written in any space that is not applicable.

4. Individuals, corporations, approved nominee companies and trustees must give their names in full. Applications must be made, in the case of individuals, in their full names appearing in their identity cards (if applicants have such identification documents) or in their passports and, in the case of corporations, in their full names as registered with a competent authority. An applicant, other than an individual, completing the Application Form under the hand of an official must state the name and capacity in which that official signs. A corporation completing the Application Form is required to affix its Common Seal (if any) in accordance with its Memorandum and Articles of Association or equivalent constitutive documents of the corporation. If an application by a corporate applicant is successful, a copy of its Memorandum and Articles of Association or equivalent constitutive documents must be lodged with the Company's Share Registrar and Share Transfer Office. The Company reserves the right to require any applicant to produce documentary proof of identification for verification purposes.
5.
 - (a) All applicants must complete page 1 and Sections A and B of the Application Forms.
 - (b) All applicants are required to delete either paragraph 7(a) or 7(b) on page 1 of the Application Forms. Where paragraph 7(a) is deleted, the applicants must also complete Section C of the Application Forms with particulars of the beneficial owner(s).
 - (c) Applicants who fail to make the required declaration in paragraph 7(a) or 7(b), as the case may be, on page 1 of the Application Forms are liable to have their applications rejected.
6. Individual and corporate applicants, whether incorporated or unincorporated and wherever incorporated or constituted, will be required to declare whether they are citizens or permanent residents of Singapore or corporations in which citizens or permanent residents of Singapore or any body corporate constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporations. Approved nominee companies are required to declare whether the beneficial owner of the Placement Shares is a citizen or permanent resident of Singapore or a corporation, whether incorporated or unincorporated and wherever incorporated or constituted, in which citizens or permanent residents of Singapore or any body corporate whether incorporated or unincorporated and wherever incorporated or constituted under any statute of Singapore have an interest in the aggregate of more than 50 per cent. of the issued share capital of or interests in such corporation.
7. Applicants may apply for the Placement Shares using cash only. Each application must be accompanied by a remittance in Singapore currency for the full amount payable, in respect of the number of Placement Shares applied for, in the form of a BANKER'S DRAFT or CASHIER'S ORDER or POSB CASHIER'S ORDER drawn on a bank in Singapore, made out in favour of "ASIATRAVEL SHARE ISSUE ACCOUNT" crossed "A/C PAYEE ONLY", or in the form of a DBS AUTOBANK CASHIER'S ORDER EQUIVALENT, with the name and address of the applicant written clearly on the reverse side. Applications not accompanied by any payment or accompanied by ANY OTHER FORM OF PAYMENT WILL NOT BE ACCEPTED. Remittances bearing "NOT TRANSFERABLE" or "NON TRANSFERABLE" crossings shall be rejected. No acknowledgement of receipt will be issued by the Company or the Manager for applications and application moneys received.
8. It is expected that unsuccessful applications will be returned to the applicants by ordinary post (without interest or any share of revenue or other benefit arising therefrom) within three Market Days after the close of the Application List at the applicants' own risk. Where an application is rejected or accepted in part only, the full amount or the balance of the application moneys, as the case may be, will be refunded (without interest or any share of revenue or other benefit arising therefrom) to the applicant by ordinary post at the applicant's own risk within 14 days after the close of the Application List provided that the remittance accompanying such application which has been presented for payment or other processes has been honoured and the application moneys received in the designated share issue account. Unsuccessful applicants using DBS Autobank Cashier's Order Equivalent will have the full amount of their application moneys (without interest or any share of revenue or other benefit arising therefrom) automatically credited to their accounts maintained with DBS Bank.

9. Capitalised terms used in the Application Forms and defined in this Prospectus shall bear the meanings assigned to them in this Prospectus.
10. In consideration of the Company having distributed the Application Form to the applicant and agreeing to close the Application List at 12.00 noon on 10 April 2001 or such later time or date as the Company may, in its absolute discretion, decide and by completing and delivering the Application Form, the applicant agrees that:-
- (a) his application is irrevocable;
 - (b) his remittance will be honoured on first presentation and that any application moneys returnable may be held pending clearance of his payment without interest or any share of revenue or other benefit arising therefrom;
 - (c) all applications, acceptances and contracts resulting therefrom under the Placement shall be governed by and construed in accordance with the laws of Singapore and that he irrevocably submits to the non-exclusive jurisdiction of the Singapore courts;
 - (d) in respect of the Placement Shares for which his application has been received and not rejected, acceptance of his application shall be constituted by written notification and not otherwise, notwithstanding any remittance being presented for payment by or on behalf of the Company; and
 - (e) he will not be entitled to exercise any remedy of rescission for misrepresentation at any time after acceptance of his application.
 - (f) in making this application, reliance is being placed solely on the information contained in this Prospectus and that none of our Company, the Placement Agent or any of their directors or any other parties involved in the Placement shall have any liability for any information not so contained
11. **Applications for Placement Shares (other than for the Reserved Shares)**
- (a) Applications for Placement Shares (other than for the Reserved Shares) **must** be made using the **BLUE** Application Forms.
 - (b) The completed and signed **BLUE** Placement Shares Application Form and the applicant's remittance in accordance with the terms and conditions of this Prospectus for the full amount payable in respect of the number of Placement Shares applied for, must be enclosed and sealed in any envelope to be provided by the applicant. The applicant must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be despatched by **ORDINARY POST OR DELIVERED BY HAND** at the applicant's own risk to **DBS Bank, 6 Shenton Way #28-00, DBS Building Tower One, Singapore 068809**, for the attention of Capital Markets, so as to arrive by **12.00 noon on 10 April 2001** or such later time or date as our Directors may, in their absolute discretion, decide. Local Urgent Mail or Registered Post must **NOT** be used.
 - (c) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.
 - (d) Alternatively, the applicant may remit his application moneys by electronic transfer to the account of **DBS Bank, Shenton Way Branch, Current Account No. 001-710002-4, in favour of "ASIATRavel Share Issue Account"** for the number of Placement Shares applied for by **12.00 noon on 10 April 2001**. Applicants who remit their application moneys via electronic transfer should send a copy of the telegraphic transfer advice slip to **DBS Bank, 6 Shenton Way #28-00, DBS Building Tower One, Singapore 068809**, for the attention of Capital Markets, so as to arrive by **12.00 noon on 10 April 2001** or such later time or date as our Directors may, in their absolute discretion, decide.

12. Applications for Reserved Shares

- (a) Applications for Reserved Shares must be made using the **PINK** Application Forms.
- (b) The completed and signed **PINK** Reserved Shares Application Form and the applicant's remittance in accordance with the terms and conditions of this Prospectus for the full amount payable in respect of the number of Reserved Shares applied for must be enclosed and sealed in an envelope to be provided by the applicant. The Applicant must affix adequate Singapore postage on the envelope (if despatching by ordinary post) and thereafter the sealed envelope must be despatched by **ORDINARY POST OR DELIVERED BY HAND** at the applicant's own risk to **DBS Bank, 6 Shenton Way #28-00, DBS Building Tower One, Singapore 068809**, so as to arrive by 12.00 noon on 10 April 2001 or such later time or date as our Directors may, in their absolute discretion, decide. Local Urgent Mail or Registered Post must **NOT** be used.
- (c) **ONLY ONE APPLICATION** should be enclosed in each envelope. No acknowledgement of receipt will be issued for any application or remittance received.

APPENDIX B: RULES OF THE ASIATRAVEL.COM SHARE OPTION SCHEME

1. Name of Scheme

This Scheme will be called “The AsiaTravel.com Share Option Scheme”.

2. Objective of the Scheme

The objective of the Scheme is to provide an opportunity for the Directors and Employees of the Group (including Associated Companies) who meet the eligibility criteria to participate in the equity of the Company as well as to motivate them to optimise their performance.

3. Definitions

Except where the context otherwise requires, the following expressions in this Scheme shall have the following meanings:

“Act”	The Companies Act (Cap.50).
“Aggregate Subscription Cost”	The amount derived by multiplying the Subscription Price by the number of Shares subscribed for on exercise of an Option.
“Associated Company”	A company which is for the time being an associated company of the Company as defined in the Listing Manual, provided that at the Date of Grant the Company has control over the associated company.
“Business Day”	A day other than a Saturday, a Sunday, a gazetted public holiday in Singapore or a day declared by the Company to be a Company or a Group holiday.
“Controlling Shareholder”	A Shareholder who has control over the Company and, unless rebutted, a person who controls directly or indirectly a shareholding of 15% or more of the Company’s issued share capital shall be presumed to be a Controlling Shareholder of the Company.
“CDP”	The Central Depository (Pte) Limited.
“Closing Date”	30 days from the relevant Date of Grant.
“Company”	Asiatravel.com Holdings Ltd or “AsiaTravel.com”.
“Date of Grant”	The date when offer of an Option is made pursuant to Rule 8.
“Depositor”	A person being a Depository Agent or holder of a securities account maintained with the CDP but does not include a holder of a sub-account maintained with a Depository Agent.
“Depository Agent”	An entity registered as a Depository Agent with the CDP for the purpose of maintaining securities sub-account for its account and the account of others.
“Depository Register”	The register maintained by the CDP pursuant to the Act.
“Directors”	A director of the Group for the time being.
“Eligible Person”	A person eligible for an Offer under the Scheme.
“Employee”	Any employee of the Group who satisfies the eligibility requirements set out in Rule 5.
“Executive Directors”	Directors of the Group who hold office in an executive capacity.

“Financial year”	Each period of 12 months at the end of which the balance of the accounts of the Company is struck and audited or any period of more or less than 12 months at the end of which period the balance of the accounts of the Company is struck and audited for the purpose of laying the same before an annual general meeting of the Company.
“Group”	The Company, its subsidiary companies as defined in the Act and Associated Companies.
“Independent Shareholder”	A Shareholder of the Company who is neither a Controlling Shareholder nor an associate of any Controlling Shareholder.
“market day”	A day on which the SGX-ST is open for trading in securities.
“month”	Calendar month.
“Non-Executive Directors”	Directors of the Group who are not Executive Directors.
“Option”	The contract constituted by acceptance in the manner set out in Rule 9 of any offer made in accordance with the terms of the Scheme.
“Option Period”	<p>The period during which an Option is exercisable in relation to an Option granted and is:</p> <p>(a) a period commencing no earlier than after the expiry of 12 months from the Date of Grant and expiring no later than the end of 120 months from the Date of Grant in the case where:</p> <ul style="list-style-type: none"> (i) the Subscription Price is not at a discount to the price per Share offered to the public at the initial public offering of the Shares of the Company; or (ii) the Subscription Price is not at a discount to the average of the last dealt prices of the Shares for the five market days prior to the Date of Grant; <p>(b) a period commencing no earlier than after the expiry of 24 months from the Date of Grant and expiring no later than the end of 120 months from the Date of Grant in the case where:</p> <ul style="list-style-type: none"> (i) the Subscription Price is at a discount to the price per Share offered to the public at the initial public offering of the Shares of the Company; or (ii) the Subscription Price is at a discount to the average of the last dealt prices of the Shares for the five market days prior to the Date of Grant; <p>Provided always that in the case of an Option granted to a Non-Executive Director, such period shall expire no later than the end of 60 months from the Date of Grant.</p>
“Record date”	means the date as at the close of business on which Shareholders must be registered in order to participate in any dividends, rights, allotments or other distributions.
“Remuneration Committee”	The committee comprising Directors duly authorised and appointed pursuant to Rule 16 to administer the Scheme.

“Scheme”	The AsiaTravel.com Share Option Scheme, as the same may be amended from time to time.
“Subscription Price”	The price as determined in accordance with Rule 7 at which an Eligible Person shall subscribe for each share upon the exercise of an option.
“SGX-ST”	The Singapore Exchange Securities Trading Limited.
“Shareholders”	The registered holders for the time being of the Shares (other than the CDP) or in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register.
“Shares”	Ordinary Shares of \$0.015 each in the Company.
“\$” and “cents”	Singapore dollars and cents respectively.

Unless the context otherwise requires, words denoting the masculine gender shall include the feminine and words denoting the singular shall include the plural and vice versa. References to Rules and Appendices shall be construed as references to Rules of and the Appendices to these Regulations.

4. Total Number of Shares

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.

5. Determination of Eligibility

5.1 The following persons shall be eligible to participate in the Scheme if he has attained the age of 21 years on or before the relevant Date of Grant and:

- (a) he is a confirmed full-time employee of a Group company; or
- (b) he is a director of a Group company,

and is not an undischarged bankrupt and has not entered into a composition with his creditors.

5.2 Controlling Shareholders and their associates are not eligible to participate in the Scheme.

5.3 There shall be no restriction on the eligibility of any Eligible Person to participate in any other share option or share incentive scheme, whether or not implemented by any of the other Group companies or any other company.

5.4 Subject to the Act and any requirement of the SGX-ST or any other stock exchange on which the Shares may be listed or quoted, the terms of eligibility for participation in the Scheme may be amended from time to time at the absolute discretion of the Directors.

6. Entitlement and Method of Determining Number of Shares Offered

Subject to adjustments as may be made pursuant to the Scheme, the number of Shares to be offered to an Eligible Person under the Scheme shall be determined at the discretion of the Remuneration Committee who shall take into account criteria such as the rank and performance, years of service and potential for future development of the Eligible Person.

7. Determination of Subscription Price

The Subscription Price per Share to be paid by way of subscription upon the exercise of an Option shall be determined by the Remuneration Committee at its absolute discretion and fixed

by the Remuneration Committee at a price not exceeding 20% discount to the market value of the Shares (with the Remuneration Committee having the sole and absolute discretion to determine the exact amount of discount to each participant) based on the average of the last dealt prices of the Shares for the five market days prior to the Date of Grant, as quoted and shown in the daily Financial News published by the SGX-ST, or its nominal value, whichever is higher.

Provided always that the Subscription Price per Share shall not be less than the par value of the Shares and that the Shareholders shall have approved the maximum discount granted under the Scheme in a separate resolution.

8. Method of Offer

8.1 The Remuneration Committee may offer such Options to such Eligible Persons as it determines, in its absolute discretion, in accordance with the Scheme. In respect of an Option, the Remuneration Committee shall determine the following:

- (a) the number of Shares for which the Eligible Person shall be entitled to subscribe; and
- (b) the Subscription Price determined in accordance with Rule 7.

8.2 An offer of an Option shall be in, or substantially in the form, of the Letter of Offer set out in Appendix C and state the number of Shares for which the Eligible Person shall be entitled to subscribe, the Subscription Price, the Closing Date and the vesting period (if any). The Closing Date shall not be more than 30 days from the Date of Grant.

9. Acceptance/Rejection of the Offer

Any Eligible Person who accepts an offer of an Option pursuant to Rule 8.2 must return the Acceptance Form in, or substantially in the form set out in Appendix D (subject to such modification from time to time as the Remuneration Committee may deem appropriate) duly completed as required therein to the Remuneration Committee on or before the Closing Date specified in the offer together with the consideration of \$1.00.

10. Exercise of Option

10.1 If the Eligible Person has accepted an offer made to him pursuant to Rule 8, he may exercise the Option in whole or in part (provided that the Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) during the Option Period on the first Business Day of every week, or, subject to the provisions of Rule 19, up to the date of termination of his employment with the Group or in the case of a Director up to the date of his vacation of office as a director for any reason whatsoever, whichever is the earlier date.

10.2 The Eligible Person may exercise an Option by notice in writing (substantially as set out in Appendix E, subject to modification from time to time as the Remuneration Committee may deem appropriate) to the Remuneration Committee. The said notice shall be accompanied by a remittance of such amount of the Aggregate Subscription Cost as required in the offer made pursuant to Rule 8.

10.3 All payments made pursuant to Rule 10.2 shall be made by cheque, cashier's order, bank draft or postal order made out in favour of the Company.

10.4 Upon receipt of the notice referred to in Rule 10.2, subject to such consents action authority under any regulation or enactment for the time being in force and subject to compliance with the Scheme and the Memorandum and Articles of Association of the Company, the Company shall use its best endeavours to, within 10 market days after the exercise of an Option in accordance with this Scheme, allot the relevant Shares for which the Eligible Person is entitled to subscribe and, within five market days from the date of such allotment, issue and dispatch the relevant Share certificates to the Eligible Persons

or the CDP (as the case may be) by ordinary post or such other mode of delivery as the Remuneration Committee may deem fit.

- 10.5 The Remuneration Committee and/or the Company shall not under any circumstances be held liable for any costs, losses, expenses or damages whatsoever and howsoever arising in connection with any delay in allotting and issuing the Shares or in the quotation and listing of such Shares on the SGX or any other stock exchange on which the Shares are quoted and listed.
- 10.6 No Option shall be exercised if such exercise or the issue of Shares pursuant to such exercise would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore.
- 10.7 Shares which are allotted on the exercise of an Option by an Eligible Person shall be issued, as the Eligible Person may elect, in the name of the CDP to the credit of the securities account of the Eligible Person maintained with the CDP or the Eligible Person's securities sub-account with a CDP Depository Agent or in the name of that Eligible Person.
- 10.8 Upon the exercise of an Option, the Shares shall rank pari passu in all respects with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the relevant exercise date of the Option.

11. Invalid Acceptance

- 11.1 Failure by the Eligible Person to comply with the requirements of the Acceptance Form may invalidate the Eligible Person's acceptance of an offer in accordance with the Scheme.
- 11.2 Any Eligible Person who fails to return an Acceptance Form on or before the Closing Date as set out in the offer made pursuant to Rule 8 shall be deemed to have rejected the offer therein in accordance with the Scheme and such Acceptance Form received after the Closing Date shall not be valid.

12. Variation of Capital

- 12.1 The Company shall ensure and keep available sufficient authorised and unissued Shares in the capital of the Company to satisfy the exercise of any Option.
- 12.2 If a variation in the issued share capital of the Company occurs (whether by way of capitalisation of profits or reserves or a rights issue, reduction, subdivision or consolidation or distribution of the Shares or otherwise howsoever taking place), then:
- (a) the Subscription Price; and/or
 - (b) the par value of the Shares, class and/or number of Shares comprised in the Option to the extent unexercised; and/or
 - (c) the par value of the Shares, class and/or number of Shares over which additional Options may be granted under the Scheme; and/or
 - (d) the maximum number of Shares which may be offered to Eligible Persons during the entire operation of the Scheme,

shall be adjusted after the variation of capital in such manner as the Remuneration Committee may determine to be appropriate and, except in relation to a capitalisation issue, upon the auditors of the Company (acting as experts and not as arbitrators) having confirmed in writing that, in their opinion, such adjustment is fair and reasonable.

Provided always that:

- (i) no adjustment to the Subscription Price shall be made which would result in the Shares issued on the exercise of the Options being issued at less than the par value

of the Shares, and if such an adjustment would but for this proviso result in the Subscription Price being less than the par value, the Offer Price payable shall be the par value; and

- (ii) no adjustment shall be made unless the Remuneration Committee, after considering all relevant circumstances considers it equitable to do so.

12.3 The following (whether singly or in combination) shall not be regarded as events requiring adjustment:

- (a) any issue of securities as consideration for an acquisition or a private placement of securities;
- (b) any increase in the number of issued Shares as a consequence of the exercise of options or other convertibles issued from time to time by the Company entitling holders thereof to acquire new Shares in the capital of the Company (including the exercise of any Options granted pursuant to the Scheme and any previous or future employee share option scheme(s));
- (c) any issue of Shares pursuant to any scrip dividend scheme for the time being of the Company; and
- (d) any reduction in the number of issued Shares as a result of the cancellation of issued Shares purchased by the Company by way of market purchase(s) effected on the SGX pursuant to a share purchase mandate given by the Shareholders of the Company in general meeting and for the time being in force.

12.4 Upon any adjustment being made pursuant to this Rule, the Remuneration Committee shall notify the grantee (or his personal representatives where applicable) in writing informing him of the particulars of such adjustment.

13. Listing

The Shares referred to in Rule 4 will not be quoted or listed in any stock exchange on which the Shares of the Company are quoted and listed until the Options are exercised, whereupon the Company will apply to the SGX-ST (and any other stock exchange on which the Shares of the Company are quoted and listed) for, and will use its best endeavours to obtain, permission to deal in and a quotation and listing for such Shares.

14. Duration of the Scheme

14.1 The Scheme will continue in operation for a maximum period of ten (10) years commencing with the year in which the first Date of Grant to any Eligible Person in respect of any offer pursuant to Rule 8 falls, provided always that the Scheme may be continued for any further period(s) thereafter with the approval of a general meeting of the Company and of any relevant authorities which may then be required.

14.2 If for any reason whatsoever the Scheme shall terminate or be discontinued, the same shall be without prejudice to the rights of the Eligible Persons in respect of whom offers pursuant to Rule 8 have been made and accepted.

15. Alteration of the Scheme

15.1 Except as hereinafter provided, the Remuneration Committee shall have the power at any time and from time to time to amend all or any of the provisions of the Scheme provided that no such amendment shall be made which would either prejudice the rights then accrued to any Eligible Person who has accepted an Option in accordance with Rule 9 without his prior consent or, alter to the advantage of the participants the provisions of the Scheme without the prior approval of the Company in general meeting.

15.2 No alteration, however, shall be made without the prior approval of such regulatory authorities as may be necessary.

15.3 Notwithstanding anything to the contrary contained in Rule 15.1, the Remuneration Committee may at any time amend or alter the Scheme in any way to the extent necessary to cause the Scheme to comply with any statutory provision or the regulations of the SGX-ST or any other stock exchange on which the Shares are quoted or listed or of any regulatory or other relevant authority or body.

16. Administration

16.1 The Scheme shall be administered by the Remuneration Committee as appointed by the Board of Directors of the Company

16.2 The Remuneration Committee shall have the power to make and vary such regulations (not being inconsistent with the Scheme) for the implementation and administration of the Scheme as it deems fit.

16.3 Any decision of the Remuneration Committee made pursuant to the provisions of the Scheme (other than any matter to be certified by the auditors of the Company) shall be final and binding (including any decision pertaining to disputes as to interpretation of the Scheme or any rule, regulation or procedure thereunder or as to any rights under the Scheme) Provided That a member of the Remuneration Committee shall abstain from voting where the Remuneration Committee is deliberating on whether an Option shall be granted to him pursuant to the Scheme or any matter relating to the Scheme in which such member is interested.

16.4 All actions of the Remuneration Committee with respect to the interpretation and/or implementation of the Scheme shall be by the affirmative vote of the majority of the members or by way of a written instrument signed by a majority of the members of the Remuneration Committee. In the latter case, the decision or action so taken shall be as effective as if they had been taken by a vote of the majority of the members of the Remuneration Committee at a meeting duly called and held.

17. Notices and Correspondence

17.1 Any notice required to be given by an Eligible Person to the Company or any correspondence to be made between the Eligible Person and the Company shall be given or made to the registered office of the Company or such other address as may be notified by the Company to him in writing.

17.2 Any notice required to be given by the Company to the Eligible Person or any correspondence to be made between the Company and the Eligible Person shall be given or made by the Remuneration Committee (or such persons as it may from time to time direct) on behalf of the Company to the last known address of the Eligible Person.

18. Non-Assignability of the Option

The Option shall be personal to the Eligible Person named in the offer and shall not be transferable, transmissible nor assignable, save as provided in Rule 19.

19. Termination of the Option

In the event of the death, cessation of employment of an Eligible Person, or in the event that the Remuneration Committee in its sole discretion determines that the Eligible Person is guilty of misconduct, or in the event of the Eligible Person being adjudged bankrupt or entering into any composition with his creditors prior to the exercise of the Option in accordance with Rule 10, such Option shall forthwith cease and the Eligible Person shall have no claim against the Company provided always that subject to the written approval of the Remuneration Committee in its absolute discretion:

(a) where the Eligible Person dies while in the employment of the Group and before the expiry of any Option Period and at the date of his death held an unexercised Option, such Option

may subject to the conditions of the offer of the Option be exercised by the personal representatives of the Eligible Person within the Option Period or the 3 month period after his death, whichever is the earlier; or

- (b) where the Eligible Person ceases his employment with the Company by reason of his (i) retirement at or after attaining his normal retirement age; (ii) retirement before that age with the consent of the Remuneration Committee; (iii) ill-health or accident; or (iv) redundancy, he may subject to the conditions of the offer of the Option exercise his unexercised Option within the relevant Option Period or the 3 month period after the date of cessation of his employment, whichever is the earlier.

For the purpose of this rule, an Eligible Person shall be deemed to have ceased to be employed as of the date the notice of termination of employment is tendered by or is given to him, unless such notice shall be withdrawn prior to its effective date.

20. Vesting Period/Retention Period

The Options may, at the discretion of the Remuneration Committee, be vested partially over a number of years. The periods over which the Options may vest may exceed any minimum vesting periods prescribed by any laws, regulations or rules to which the Scheme may be subject, including the regulations of any stock exchange on which the Shares may be listed and quoted.

21. Annual Report

The Company shall, as required by law or the SGX-ST or other relevant authority, make the following disclosures in its annual report:

- (a) The names of the members of the Remuneration Committee;
- (b) The information required in the table below for the following participants of the Scheme:
- (i) Directors; and
- (ii) Participants, other than those in (i) above who receive 5% or more of the total number of Options available under the Scheme; and

Name of Participant	Options granted during the financial year under review (including terms)	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 the end of financial year under review

- (c) The number and proportion of options granted at the following discount to the average market value of the Shares in the financial year under review:
 - (i) options granted at up to a 10% discount or less; and
 - (ii) options granted at above 10% discount but not more than 20% discount.

22. Costs and Expenses

- 22.1 Each Eligible Person shall be responsible for all the fees of the CDP relating to or in connection with the issue and allotment of any Shares in CDP's name, the deposit of share certificates with CDP, the Eligible Person's securities account with CDP, or sub-account with a CDP Depository Agent.
- 22.2 Save for the foregoing and the taxes referred to in Rule 26, all costs and expenses incurred by the Company in relation to the Scheme including but not limited to the costs and expenses relating to the issue of the Shares upon the exercise of any Option shall be borne by the Company.

23. Takeover of the Company

- 23.1 Notwithstanding the provisions of Rule 10, in the event of a take-over offer being made for the Company and such offer becoming or being declared unconditional, Eligible Persons (including those holding Options which are then not exercisable pursuant to the provisions of the Scheme) shall be entitled to exercise in full or in part any unexercised Option (provided that no such Option may be exercised if the relevant Option Period has expired and subject to the provisions of Rules 10 and 19 above).
- 23.2 The entitlement referred to in Rule 23.1 is valid for a period of six months from the date on which the take-over offer becomes or is declared unconditional or the date of expiry of the Option Period relating thereto, whichever is earlier.
- 23.3 However, if during such period of six months the company or person conducting the take-over offer becomes entitled or bound to exercise rights of compulsory acquisition of Shares under Section 215 of the Act and gives notice that it intends to exercise such rights on a specified date, then, the entitlement referred to in Rule 23.1 shall remain exercisable until that specified date or the expiry of the Option Period, whichever is earlier.
- 23.4 Any Option not exercised by the said specified date shall lapse provided that the rights of acquisition stated in the notice have been exercised.
- 23.5 For the avoidance of doubt, the provisions of this Rule shall not come into operation in the event that a takeover offer which is conditional does not or is not declared unconditional.

24. Winding Up of the Company

- 24.1 In the event that the Singapore courts sanction a compromise or arrangement, proposed for the purposes of, or in connection with, a scheme for the reconstruction of the Company or its amalgamation with another company or companies, Eligible Persons (including those holding Options which are then not exercisable pursuant to the provisions of the Scheme) shall be entitled to exercise any Option then held by them during the period commencing on the date upon which the compromise or arrangement is sanctioned by the courts and ending either on the expiry of 60 days thereafter or the date upon which the compromise or arrangement becomes effective, whichever is later (provided that no such Option may be exercised if the relevant Option Period has expired and subject to the provisions of Rules 10 and 19 above), whereupon any unexercised Option shall lapse and become null and void.

24.2 If an order or an effective resolution is passed for the winding up of the Company on the basis of its insolvency, all Options, to the extent unexercised, shall lapse and become null and void.

24.3 In the event of a members' solvent voluntary winding up (other than for amalgamation or reconstruction), Eligible Persons (including those holding Options which are then not exercisable pursuant to the provisions of the Scheme) shall be entitled within 30 days of the passing of the resolution for such winding up (provided that no such Option may be exercised if the relevant Option Period has expired and subject to the provisions of Rules 10 and 19 above) to exercise in full any unexercised Option, after which such unexercised Option shall lapse and become null and void.

25. Disputes

Any disputes or differences of any nature arising hereunder shall be referred to the Remuneration Committee and its decision shall be final and binding in all respects.

26. Taxes

Any taxes (including income tax) arising from exercising any Option under the Scheme shall be borne by the Eligible Person.

27. Disclaimer of Liability

Notwithstanding any provision herein and subject to the Act, no Eligible Person shall, under any circumstances, hold the Remuneration Committee and/or the Company liable for any costs, losses, expenses and damages whatsoever and howsoever arising in connection with the Scheme or the administration thereof including but not limited to the Company's delay in allotting and issuing the Shares under the Scheme or procuring the SGX-ST and/or any other stock exchange to list the Shares.

28. Governing Law

This Scheme shall be governed by and construed in all respects in accordance with the laws of the Republic of Singapore. The persons accepting Options in accordance with the Scheme and the Company irrevocably submit to the exclusive jurisdiction of the courts of the Republic of Singapore.

APPENDIX C: THE ASIATRavel.COM SHARE OPTION SCHEME LETTER OF OFFER

PRIVATE & CONFIDENTIAL

Serial No:

(Date)

To: Name
Designation
Address

Dear Sir/Madam

The AsiaTravel.com Share Option Scheme

We have the pleasure of informing you that you have been nominated by the Board of Directors of the Company to participate in the AsiaTravel.com Share Option Scheme (the "Scheme"). Accordingly, we are pleased to offer you an option to subscribe for ordinary shares in the Company, subject to the terms and conditions contained in this Letter of Offer and the Rules of the Scheme (as the same may be amended from time to time). You may obtain a copy of the Rules of the Scheme from _____.

1. Offer

This Letter of Offer constitutes the offer document. The Date of Grant is the date on which the Option is offered to you, being the date of this Letter of Offer.

2. Acceptance

In order to accept the offer, you must complete the attached Acceptance Form and return it to _____ at _____. The date you accept must be not later than the close of business on _____ (the "Closing Date"). An option shall be deemed to have been granted and accepted by you and to have taken effect when the Acceptance Form, duly completed and signed by you, together with cash or a cheque in favour of the Company in the amount of \$1.00 is received by the Company, provided that the date of the cheque is on or before the Closing Date. The payment is in no circumstances refundable. The Option is personal to you, is not assignable and you shall not in any way sell, transfer, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option or attempt to do so, except with the prior written consent of a committee established to administer the Scheme (the "Remuneration Committee").

3. Number of Ordinary Shares of \$0.015 each in the capital of the Company (the "Shares") in respect of which the Option is offered

The option is offered in respect of _____ Shares. This number of Shares is subject to adjustment in the event of a variation of capital, as described in the Rules of the Scheme. You may accept the offer of the Option in respect of the full number of Shares comprised in the Option or less than the full number (provided that the number accepted is in multiples of 1,000).

4. Subscription Price, Vesting and the Manner of Payment upon Exercise

The Subscription Price is the price per Share at which you may subscribe for the Shares on the exercise of the Option and is \$_____ per Share.

Subject as provided below, the Option shall vest in the following manner:

Vesting Period	Maximum number of Shares that may be exercised under the Option
_____ until _____ (both dates inclusive)	Up to _____ % of the Option Shares
_____ until _____ (both dates inclusive)	Up to _____ % of the Option Shares (excluding the Options previously vested)
_____ until _____ (both dates inclusive)	Up to _____ % of the Option Shares (excluding the Options previously vested)

If you do not exercise your Option in respect of Shares vested in any particular vesting periods, such vested Shares may be added to the Shares vesting in subsequent vesting periods and you may exercise your Option in respect of the aggregate number of outstanding vested Shares.

To the extent to which an Option has not yet vested, no further vesting can occur from the date you resign or from the date your employment is terminated for whatever reason. For the avoidance of doubt, no further vesting can occur from the date of your notice of resignation or the notice of termination of your employment by the Company.

You may exercise the Option in respect of the Shares already vested pursuant to the conditions set out above (a "Vested Option") in whole or in part (provided that the Vested Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof) during the Option Period on the first business day of every week or, subject to the Rules of the Scheme, up to the close of business on the last day of your employment with the Company or in the case of a Director up to the date of vacation of your office as Director for any reason whatsoever, whichever is the earlier date.

You may exercise the Vested Option by notice in writing to the Remuneration Committee. The notice must be accompanied by a remittance of the full amount of the Aggregate Subscription Cost (the amount derived by multiplying the Subscription Price by the number of Shares subscribed for on exercise of the Vested Option).

5. Expiry Date

The expiry date of the Option is the date on which the Option Period (as defined by the Rules of the Scheme) expires.

If you wish to accept the offer of the Option, please follow the steps set out in paragraph 2 ("Acceptance") above.

Yours faithfully
for and on behalf of
The Board of Directors of Asiatravel.com Holdings Ltd

[Name of Director]

**APPENDIX D: THE ASIATRavel.COM SHARE
OPTION SCHEME ACCEPTANCE FORM**

PRIVATE & CONFIDENTIAL

Serial No:

To: The Remuneration Committee
The AsiaTravel.com Share Option Scheme
ASIATRavel.COM HOLDINGS LIMITED
[Address]

Attention: [Name]

Closing Date for Acceptance of Offer : _____

Number of shares offered : _____

Subscription Price per Share : _____

Number of Shares accepted under the Option : _____

Total Amount Payable for the number of Option
Shares accepted : _____

I have read your Letter of Offer dated _____ and agree to be bound by the terms of the AsiaTravel.com Share Option Scheme and the aforesaid Letter of Offer. I hereby accept the Option to subscribe for _____ ordinary shares of \$0.015 each in the share capital of AsiaTravel.com Limited (the "Option Shares") at \$_____ per ordinary share and enclose *a cheque/cash for \$1.00 in payment for the Option.

I understand that I am not obliged to exercise my Option to subscribe for shares in the Company.

I confirm that as at the date hereof, I am not less than 21 years old or an undischarged bankrupt.

I acknowledge that you have not made any representation or warranty or given me any expectation of employment or continued employment to induce me to participate in the Scheme or to accept the offer and that the terms of the Scheme, Letter of Offer dated _____ and this Acceptance Form constitutes the entire agreement between us relating to the offer.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

NRIC/Passport Number* : _____

CDP Securities Account Number : _____

Signature : _____

Date : _____

*Delete accordingly.

Notes:

- 1. Shares must be accepted in full or multiples of 1,000.
- 2. The Acceptance Form must be forwarded to the Committee in an envelope marked "Private and Confidential".
- 3. The Participant shall be informed by the Company of the relevant CDP charges payable at the time of the exercise of an Option.

APPENDIX E: ASIATRavel.COM SHARE OPTION SCHEME

EXERCISE OF OPTION TO SUBSCRIBE

Private and Confidential

To: The Committee
AsiaTravel.com Share Option Scheme
ASIATRavel.COM HOLDINGS LTD
[Address]

Total number of ordinary shares of \$0.015 each (the "Share")
offered at \$ _____ per Share under an Option granted
on _____ (Date of Grant) : _____

Number of Shares previously allotted and issued under the
Option : _____

Outstanding balance of Shares to be allotted and issued under
the Option : _____

Number of Shares now to be subscribed : _____

1. Pursuant to your Letter of Offer dated _____ and my acceptance thereof, I hereby exercise the Option to subscribe for Shares in ASIATRavel.COM HOLDINGS LTD (the "Company") at \$ _____ per Share.
2. I hereby request the Company to allot and issue the number of Shares specified in paragraph 1 above in the name of The Central Depository (Pte) Limited ("CDP") to the credit of my securities account with CDP or my securities sub-account with a CDP Depository Agent specified below and to deliver the share certificate(s) relating thereto to CDP. I further agree to bear such fees or other charges as may be imposed by CDP (the "CDP Charges") in respect thereof:

*(a) Direct Securities Account Number : _____

*(b) Securities Sub-Account Number : _____

Name of Depository Agent : _____
3. I enclose a *cheque/cashier's order/bank draft for \$ _____ in payment for the subscription of \$ _____ for the total number of the said Shares and the CDP Charges of \$ _____.
4. I agree to subscribe for the Shares subject to the terms of the Letter of Offer, the AsiaTravel.com Share Option Scheme and the Memorandum and Articles of Association of the Company.
5. I declare that I am subscribing for the Shares for myself and not as a nominee for any other person.

Please print in block letters

Name in Full : _____

Designation : _____

Address : _____

Nationality : _____

NRIC/Passport Number* : _____

CDP Securities Account Number : _____

Signature : _____

Date : _____

*Delete accordingly.

Notes:

1. An Option may be exercised, in whole or in part, provided that an Option may be exercised in part only in respect of 1,000 Shares or any multiple thereof.
2. The form entitled "Exercise Of Option To Subscribe" must be forwarded to the Company Secretary at 1 Kim Seng Promenade, Great World City West Tower, #13-07, Singapore 237994 in an envelope marked "Private and Confidential".

APPENDIX F: SUMMARY OF SIGNIFICANT CHANGES TO THE PRELIMINARY PROSPECTUS LODGED WITH THE REGISTRAR OF COMPANIES AND BUSINESSES ON 19 MARCH 2001

On 19 March 2001, we lodged a preliminary prospectus (the "Preliminary Prospectus") with the Registrar of Companies and Businesses. This final prospectus (the "Final Prospectus") contains consequential changes to the Preliminary Prospectus arising from the following:

- (a) the change in the offer structure to exclude the public offer tranche and to comprise only the Placement Tranche;
- (b) the increase in the authorised share capital of the Company from \$5,000,000 divided into 500,000,000 ordinary shares of \$0.01 each to \$6,000,000 divided into 600,000,000 ordinary shares of \$0.01 each on 30 March 2001;
- (c) the issue and allotment of 1,450 new ordinary shares of \$0.01 each in the capital of the Company to Boh Tuang Poh and/or his nominated beneficiaries on 30 March 2001; and
- (d) the change in par value of the ordinary shares in the capital of the Company from \$0.01 to \$0.015 on 30 March 2001.



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Asiatravel.com Holdings Ltd

(Incorporated in the Republic of Singapore with limited liability on 1 December 1999)

Placement of 23,500,000 new Shares comprising:

- (a) 19,250,000 Placement Shares at \$0.20 for each Placement Share; and**
- (b) 4,250,000 Reserved Shares at \$0.20 for each Reserved Share reserved for the Independent Directors, employees, business associates of the Group, and those who have contributed to the success of the Group,**

payable in full on application.

Manager and Placement Agent



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