LIBRA GROUP LIMITED

(Incorporated in the Republic of Singapore on 20 October 2010)
(Company Registration Number 201022364R)

PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARES IN YC CAPITAL CONSOLIDATED SDN. BHD.

---

1. INTRODUCTION

The Board of Directors (the "**Board**") of Libra Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that the Company has entered into a conditional sale and purchase agreement dated 10 October 2017 (the "**YC SPA**") with Mr Chu Sau Ben (the "**Vendor**"), Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad in relation to the purchase of 1,020,000 ordinary shares (representing 51% of the issued and paid-up share capital) in YC Capital Consolidated Sdn. Bhd. (the "**Target**") (the "**Sale Shares**") from the Vendor (the "**Proposed YC Acquisition**").

The Proposed YC Acquisition is an interested person transaction under Chapter 9 of the Catalist Rules and a major transaction under Chapter 10 of the Catalist Rules.

Following the completion of the Proposed YC Acquisition, the Target will become a subsidiary of the Company.

2. INFORMATION ON THE VENDOR, THE TARGET AND THE TARGET GROUP

The Vendor

Mr Chu Sau Ben is the Executive Chairman and the Chief Executive Officer of the Company, and is also a controlling shareholder of the Company.

Mr Chu Sau Ben is the legal and beneficial owner of 51% of the entire issued and paid-up share capital in the Target.

Mr Chu Sau Ben is presently a director of the Target and the executive chairman of YC Travel & Tours Sdn. Bhd.. He is currently responsible for the overall management, strategic planning and business development of the Target and its group of companies comprising (a) YC Travel & Tours Sdn. Bhd.; (b) FAME Local Products Sdn. Bhd.; (c) KL Premium Outlet Sdn. Bhd.; (d) Tian Di Global Sdn. Bhd.; and (e) Cocoffee De Peninsula Sdn. Bhd. (each a "**Target Group Company**", and together with the Target, the "**Target Group**"). Subsequent to the completion of the Proposed YC Acquisition, he will continue to fulfill his responsibilities in the Target Group.

The Target and the Target Group

The Target is a Malaysia-incorporated private limited company incorporated on 15 August 2012. As at the date of this Announcement, the Target has a total issued and paid-up share capital of MYR2,000,000 comprising 2,000,000 ordinary shares. The directors of the Target are Mr Chu Sau Ben, Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad.

The shareholders of the Target are as follows:

Shareholder of Target	Number of ordinary shares in the share capital of the Target	Number of ordinary shares in the shares in the share capital of the Target as a percentage of the entire issued and paid-up shares in the Target
Mr Chu Sau Ben	1,020,000	51%
Mr Choong Hin Seong	880,000	44%
Tuan Haji Anuar bin Ahmad	100,000	5%

(Mr Chu Sau Ben, Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad shall collectively be referred to as the "**YC Shareholders**").

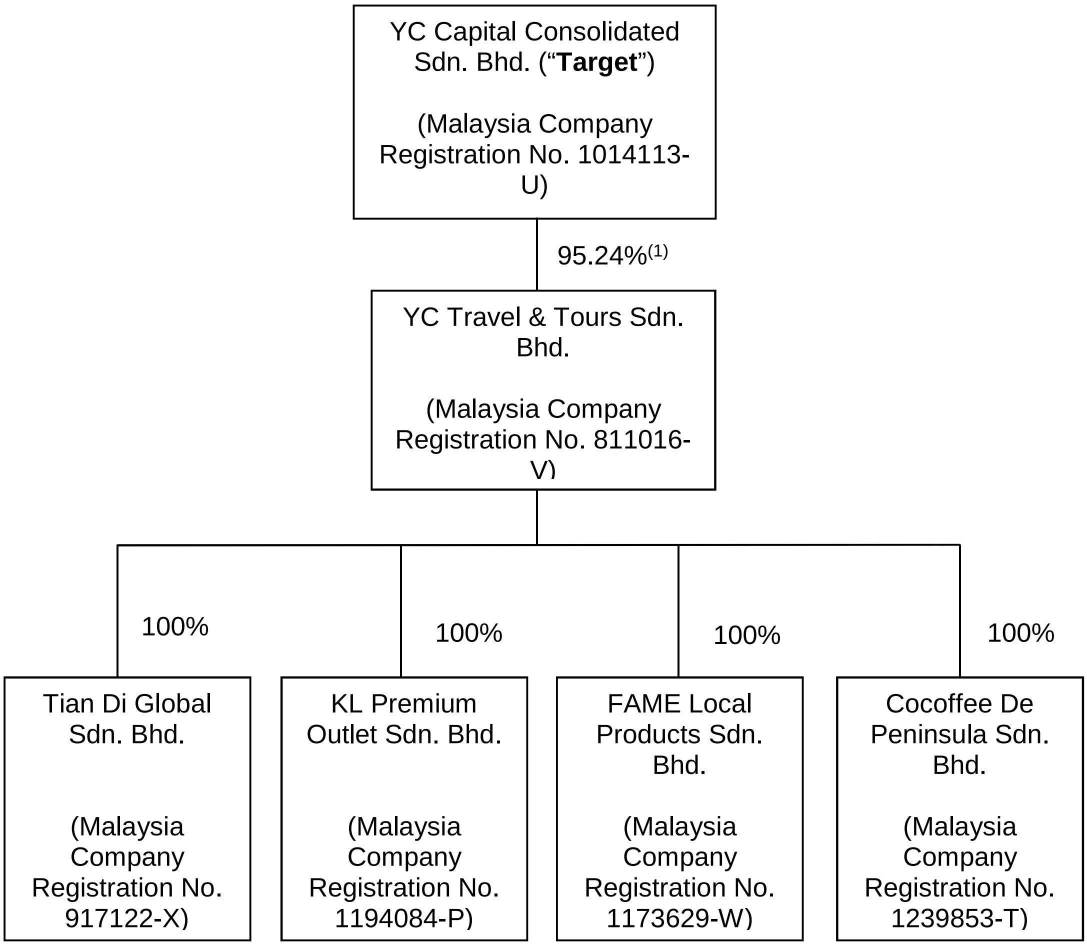
Mr Choong Hin Seong has over 20 years' of experience in the tourism industry. Due to the connections that Mr Choon Hin Seong has built over the years, he is able to develop the Target Group's relationships with overseas businesses, local businesses and community partners to ensure their engagement and high level of support of the Target Group's business. Save for the business relationship with Mr Chu Sau Ben in respect of the Target Group's business, Mr Choong Hin Seong, a Malaysian national, does not have any relationship, direct or indirect (including any business relationship), with the Company, the Group, its Directors or its substantial shareholders.

Mr Choong Hin Seong is presently a director of the Target and the managing director of YC Travel & Tours Sdn. Bhd.. His current responsibilities in the Target Group include strategic decision making, management and setting of the vision and mission of the Target Group. Subsequent to the completion of the Proposed YC Acquisition, he will continue to fulfill his responsibilities in the Target Group.

Tuan Haji Anuar bin Ahmad is an entrepreneur and businessman. His vast experience with the government sector and his stint in the private sector is valuable to the Target Group in areas of new business development within the tourism industry. Save for the business relationship with Mr Chu Sau Ben in respect of the Target Group's business, Tuan Haji Anuar bin Ahmad, a Malaysian national, does not have any relationship, direct or indirect (including any business relationship), with the Company, the Group, its Directors or its substantial shareholders.

Tuan Haji Anuar bin Ahmad is presently a director of the Target and a director of YC Travel & Tours Sdn. Bhd.. His roles in the Target Group include dealing with government related parties, advising on statutory obligations and assisting in decision making. Subsequent to the completion of the Proposed YC Acquisition, he will continue to fulfill his responsibilities in the Target Group.

The principal business activity of the Target is investment holding. The group structure of the Target Group as at the date of this Announcement is set out in the diagram below.



Note (1): The remaining 4.76% of the issued and paid-up share capital of YC Travel & Tours Sdn. Bhd. is held by the YC Shareholders in the following proportion:

YC Travel & Tours Sdn. Bhd.'s shareholders	Percentage of shareholding in YC Travel & Tours Sdn. Bhd.
Mr Chu Sau Ben	2.43%
Mr Choong Hin Seong	2.10%
Tuan Haji Anuar bin Ahmad	0.24%

As at the date of this Announcement, the YC Shareholders are in the process of transferring all their respective shares in YC Travel & Tours Sdn. Bhd. to the Target (the "**YCT Transfer**"). The completion of the YCT Transfer is a condition precedent to the Proposed YC Acquisition, as set out in the YC SPA.

YC Travel & Tours Sdn. Bhd. is a Malaysia-incorporated private limited company. YC Travel & Tours Sdn. Bhd. has been principally engaged in the business of providing travel and tour agency services since March 2008. The directors of YC Travel & Tours Sdn. Bhd. are Mr Chu Sau Ben, Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad.

FAME Local Products Sdn. Bhd. is a Malaysia-incorporated private limited company. FAME Local Products Sdn. Bhd. has been principally engaged in the business of retailing of local goods and products since June 2016. The directors of FAME Local Products Sdn. Bhd. are Mr Choong Hin Seong and Mr Low Kee Kian.

KL Premium Outlet Sdn. Bhd. is a Malaysia-incorporated private limited company. KL Premium Outlet Sdn. Bhd. has been principally engaged in the business of retailing of luxury items since October 2016. The directors of KL Premium Outlet Sdn. Bhd. are Mr Choong Hin Seong and Tuan Haji Anuar Bin Ahmad.

Tian Di Global Sdn. Bhd is a Malaysia-incorporated private limited company. Tian Di Global Sdn. Bhd. has been principally engaged in the business of retailing of latex products since October 2010. The directors of Tian Di Global Sdn. Bhd. are Ms Lee Ching Mei, Mr Koh Kwan Hong, Mr Low Kee Kian and Mr Phan Cheen-Hau.

Cocoffee De Peninsula Sdn. Bhd. is a Malaysia-incorporated private limited company. Cocoffee De Peninsula Sdn. Bhd. has been principally engaged in the business of retailing of local products since September 2017. The directors of Cocoffee De Peninsula Sdn. Bhd. are Mr Tshai Hon Seng and Mr Aw Kar Yong.

Shareholders should note that the Target Group's business is subject to various government regulations. In particular, licences, permits or regulatory approval may be required for, among others, the provision of travel and tour agency services by YC Travel & Tours Sdn. Bhd.. Such licences, permits or regulatory approval requires that majority of the ultimate shareholder(s) of YC Travel & Tours Sdn. Bhd. be Malaysia nationals.

In the event that YC Travel & Tours Sdn. Bhd. fails to hold the requisite licences, permits and/or approvals in relation to the provision of travel and tour agency services, YC Travel & Tours Sdn. Bhd.'s operations may be adversely affected.

The Proposed YC Acquisition as an Interested Person Transaction

Mr Chu Sau Ben, who is the Executive Chairman and the Chief Executive Officer of the Company, and who is also a controlling shareholder of the Company, is an interested person under Chapter 9 of the Catalist Rules. Accordingly, the Proposed YC Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

3. FINANCIAL INFORMATION ON THE TARGET

YC Capital Consolidated Sdn. Bhd.

Based on the unaudited accounts of YC Capital Consolidated Sdn. Bhd. for the financial year ended 31 December 2016, YC Capital Consolidated Sdn. Bhd. has a book value and NTA of MYR1,548,869 (equivalent to approximately S$499,355, based on the exchange rate of MYR1 : S$0.3224[1]).

YC Travel & Tours Sdn. Bhd.

Based on the audited accounts of YC Travel & Tours Sdn. Bhd. for the financial year ended 31 December 2016, YC Travel & Tours Sdn. Bhd. has a book value and NTA of MYR17,071,778 (equivalent to approximately S$5,503,941, based on the exchange rate of MYR1 : S$0.3224).

FAME Local Products Sdn. Bhd.

Based on the audited accounts of FAME Local Products Sdn. Bhd. for the financial year ended 31 December 2016, FAME Local Products Sdn. Bhd. has a book value and NTA of

[1] The exchange rate was obtained from the Monetary Authority of Singapore on 9 October 2017.

MYR792,365 (equivalent to approximately S$255,458, based on the exchange rate of MYR1 : S$0.3224).

KL Premium Outlet Sdn. Bhd.

Based on the audited accounts of KL Premium Outlet Sdn. Bhd. for the financial year ended 31 December 2016, KL Premium Outlet Sdn. Bhd. has a negative book value and NTA of MYR38,539 (equivalent to appoximately S$12,425, based on the exchange rate of MYR1 : S$0.3224).

Tian Di Global Sdn. Bhd.

Based on the audited accounts of Tian Di Global Sdn. Bhd., for the financial year ended 31 December 2016, Tian Di Global Sdn. Bhd. has a book value and NTA of MYR714,685 (equivalent to S$230,414 , based on the exchange rate of MYR1 : S$0.3224).

Cocoffee De Peninsula Sdn. Bhd.

Cocoffee De Peninsula Sdn. Bhd. was incorporated on 24 July 2017. Based on the unaudited management accounts of Cocoffee De Peninsula Sdn. Bhd. dated 31 July 2017, Cocoffee De Peninsula Sdn. Bhd. has a negative book value and NTA of MYR1,667 (equivalent to S$537, based on the exchange rate of MYR1 : S$0.3224).

Valuation

The Company has appointed BDO Advisory Pte. Ltd. ("**BDO**"), an independent professional valuer, to conduct an independent valuation on the indicative fair market value of the Sale Shares.

4. SALIENT TERMS OF THE PROPOSED YC ACQUISITION

Conditions Precedent

The Proposed YC Acquisition is conditional upon the following conditions precedent:

(a) the Company obtaining such approval(s) from its board of directors, shareholders, Sponsor and/or the SGX-ST (and any other regulatory authority) in connection with the YC SPA and the transactions contemplated therein as may be necessary;

(b) the Target obtaining such approval(s) from its board of directors and/or shareholders in connection with the YC SPA and the transactions contemplated therein as may be necessary, including but not limited to:

    (i) the entry into and execution of the YC SPA and the transactions contemplated therein;

    (ii) if required by the Company, the revocation of all existing authorities given to authorised personnel for the operation of the respective bank accounts of the Target Group and the authorisation of new authorised personnel as nominated by the Company to operate such bank accounts;

    (iii) the transfer of the Sale Shares to the Company and/or its nominee(s);

(iv) if required by the Company, the affixation of the Target’s common seal in accordance with the Target’s constitution to any documents to be executed in connection with the YC SPA and the transactions contemplated therein;

(v) the cancellation of old share certificate(s) in the name of the Vendor, and the issuance of new share certificate(s) in favour of the Company and/or its nominee(s) in respect of the Sale Shares; and

(vi) the lodgement of the required statutory returns with the relevant regulatory authority and the registration of the Company and/or its nominee(s) in the Target’s register of members as holder of the Sale Shares;

(c) the Target becoming the shareholder of the entire issued and paid-up share capital of YC Travel & Tours Sdn. Bhd.;

(d) the Company being satisfied in its absolute discretion with the results of the legal, financial and tax due diligence to be carried out by the Company and/or its professional advisers on the Target Group (the “**Due Diligence Investigations**”);

(e) the rectification, or the procurement of such rectification, to the satisfaction of the Company by the YC Shareholders of all issues and/or irregularities uncovered by the Company and/or its professional advisers during the Due Diligence Investigations on the Target Group which are capable of rectification, unless waived by the Company in its absolute discretion;

(f) the Company obtaining an opinion from an independent financial adviser that the transactions contemplated therein are on normal commercial terms and that the transactions contemplated therein are not prejudicial to the interests of the Company and its minority shareholders;

(g) the Company being satisfied in its absolute discretion with the valuation report to be prepared by an independent professional valuer on the Target Group;

(h) the procurement by the YC Shareholders of the delivery of the audited unconsolidated financial statements of the Target Group for the financial year ended 31 December 2016 (the “**Audited Accounts**”) (audited by an internationally reputable public accounting firm in accordance with the International Financial Reporting Standards) and unaudited management unconsolidated accounts of the Target Group since the date of its incorporation and up to the month-end immediately preceding the date of the YC SPA (the “**Management Accounts**”) by the Target to the Company, and the Company being satisfied in its absolute discretion with the Audited Accounts and the Management Accounts;

(i) the Company obtaining the listing and quotation notice from the SGX-ST for the listing and quotation of the Consideration Shares (as defined below), such notice not having been amended or revoked before the completion date, and if any such notice is subject to conditions, such conditions being acceptable to the Company and being fulfilled on or before the completion date;

(j) the Company being satisfied in its absolute discretion that there has been no material adverse change, or events, acts or omissions likely to lead to a material adverse change, in the business, condition (financial or otherwise), assets, prospects, performance, financial position, results or operations of the Target Group between the date of the YC SPA and the completion date;

(k) there is no breach by the YC Shareholders and the Target of their respective representations, warranties, undertakings, covenants and indemnities set out in the YC SPA;

(l) each of the representations, warranties and undertakings remaining true and not misleading in any respect at completion, as if repeated on the completion date, and at all times between the date of the YC SPA and the completion date; and

(m) all necessary third party, governmental and regulatory consents, approvals and waivers where required for the transactions contemplated therein (including the waiver of any right of pre-emption or other restriction on the transfer of the Sale Shares conferred on any person under the Target's constitution or otherwise, if necessary) having been obtained by the Target Group, and such consents, approvals and waivers not having been amended or revoked before completion date, and if any such consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company and being fulfilled on or before the completion date.

Consideration

The aggregate consideration for the Proposed YC Acquisition is S$15,000,000 (equivalent to approximately MYR46,526,054, based on the exchange rate of MYR1 : S$0.3224) (the "**Consideration**"), which shall be payable by the Company to the Vendor by way of an issue and allotment of 117,187,500 ordinary shares in the share capital of the Company to the Vendor at an issue price of S$0.128 per share ("**Consideration Shares**") on the completion date.

The Consideration was arrived at after arms' length negotiations, on a willing-buyer-willing-seller basis, after taking into account, among others, the following factors:

(a) The value of the Sale Shares assessed by the Company through an income-based approach and cost-based approach; and

(b) The terms of the Investment Property Disposal (as defined below).

Post-Completion Covenants of the Company and the YC Shareholders

(a) The Company, Mr Choong Hin Seong, Tuan Haji Anuar bin Ahmad and the Target hereby agree to dispose the 12 adjoining pieces of leasehold land held under the following title details:

(i) HSM 26568 PT 16927;

(ii) HSM 26569 PT 16928;

(iii) HSM 26570 PT 16929;

(iv) HSM 26571 PT 16930;

(v) HSM 26572 PT 16931;

(vi) HSM 26573 PT 16932;

(vii) HSM 26574 PT 16933;

(viii) HSM 26575 PT 16934;

(ix) HSM 26576 PT 16935;

(x) HSM 26577 PT 16936;

(xi) HSM 26578 PT 16937;

(xii) HSM 26579 PT 16938,

all of Tempat Taman Kencana, Mukim Empang, Daerah Hulu Langat, Negeri Selangor, together with a five (5) storey terrace light industrial building erected thereon, bearing the postal address of 1, 2, 3, 4, 5, 6, 7, 8, 9 10, 11 and 12, Jalan Perdana 10/6 and 10/8 Pandan Perdana, 55300 Kuala Lumpur (collectively, the "**Investment Property**") on or before the date falling 12 months from the completion date, or such other date as the Parties may agree in writing (the "**Investment Property Disposal**"). In addition, the Company, Mr Choong Hin Seong, Tuan Haji Anuar and the Target hereby agree that the terms and conditions of the Investment Property Disposal including the consideration and timing of the Investment Property Disposal shall be determined by the Company in its absolute discretion.

(b) The Company, Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad hereby covenant and undertake to the Vendor that, subsequent to completion, they shall procure that the Target enter into a sale and purchase agreement (or similar agreement) in relation to the Investment Property Disposal. The Target shall use the proceeds from the Investment Property Disposal to discharge any indebtedness of the Target in relation to the Investment Property (the "**Investment Property Indebtedness**"), including but not limited to the banking facility granted by RHB Bank Berhad (by way of facility letters dated 10 October 2013 and 1 December 2016) and CIMB Bank Berhad (by way of facility letter dated 12 September 2013). In the event that proceeds from the Investment Property Disposal are not sufficient to discharge the Investment Property Indebtedness, the YC Shareholders shall pay to the Target and/or the Company such shortfall so as to enable the Target to discharge the Investment Property Indebtedness and to pay for any taxes arising or having arisen in connection with the Investment Property and all cost and expenses in relation to the Investment Property Disposal.. In the event that there is a surplus from the Investment Property Disposal after discharging the Investment Property Indebtedness, and paying any taxes arising or having arisen in connection with the Investment Property and all cost and expenses in relation to the Investment Property Disposal, the Target shall pay such surplus to the YC Shareholders.

(c) Each of the YC Shareholders hereby jointly and severally covenants and undertakes to the Company that, subsequent to completion, the YC Shareholders shall make all repayments relating to the Investment Property Indebtedness on or before the date on which such repayments fall due, including but not limited to repayments under the banking facility granted by RHB Bank Berhad (by way of facility letters dated 10

October 2013 and 1 December 2016) and CIMB Bank Berhad (by way of facility letter dated 12 September 2013).

(d) For the avoidance of doubt, the term "YC Shareholders" in this post-completion covenant shall refer to the Vendor, Mr Choong Hin Seong and Tuan Haji Anuar bin Ahmad.

Completion

Completion shall take place on the date falling three (3) business days (being a day on which commercial banks are open for business in Singapore (other than Saturdays, Sundays or public holidays in Singapore)) after the satisfaction of all the conditions precedent, or such other date as the Company and Vendor may agree in writing.

5. THE PROPOSED ISSUE AND ALLOTMENT OF CONSIDERATION SHARES

Rule 804 of the Catalist Rules provides that, except in the case of an issue made on a *pro rata* basis to shareholders or a scheme referred to in Part VIII of Chapter 8 of the Catalist Rules, no director of an issuer, or associate of the director, may participate directly or indirectly in an issue of equity securities or convertible securities unless independent shareholders in general meeting have approved the specific allotment.

Rule 805 of the Catalist Rules provides that an issuer must obtain the prior approval of shareholders in general meeting for the issue of shares unless such issuance of shares is covered under a general mandate obtained from shareholders of the issuer.

As,

(a) 117,187,500 Consideration Shares are to be issued and allotted to Mr Chu Sau Ben (who is a Director of the Company) on completion; and

(b) the Company is not relying on the general mandate obtained from Shareholders at the annual general meeting of the Company on 28 April 2017 for the issue and allotment of the Consideration Shares,

shareholder approval for the issue and allotment of the Consideration Shares by the Company to Mr Chu Sau Ben is required under Rules 804 and 805 of the Catalist Rules.

Stamford Corporate Services Pte. Ltd. (the "**Sponsor**") will be submitting an additional listing application, on behalf of the Company, to the SGX-ST for the listing of and quotation for the Consideration Shares on Catalist. An announcement will be made in due course to notify its Shareholders when the listing and quotation notice from the SGX-ST is obtained.

As at the date of this Announcement, the share capital of the Company excluding treasury shares is approximately S$18,510,000. Following the completion of the issue and allotment of the Consideration Shares, the enlarged share capital of the Company is approximately S$33,510,000.

As at the date of this Announcement, Mr Chu Sau Ben is interested in 59,773,000 ordinary shares in the Company, representing 50.002% of the shareholding interest in the Company.

Following the completion of the issue and allotment of the Consideration Shares, Mr Chu Sau Ben will be interested in 176,960,500 ordinary shares in the Company, representing 74.752% of the enlarged share capital of the Company.

6. THE PROPOSED YC ACQUISITION AS AN INTERESTED PERSON TRANSACTION

As stated in Section 2 of this Announcement, Mr Chu Sau Ben is an interested person under Chapter 9 of the Catalist Rules. Accordingly, the Proposed YC Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

Based on the Company's latest audited consolidated accounts for the financial year ended 31 December 2016 ("**FY2016**"), the Group's latest audited NTA is S$23,350,667. The Consideration amounts to S$15,000,000, being 64.24% of the Group's latest audited NTA.

There is an existing shareholder's loan granted by Mr Chu Sau Ben to the Target Group with an outstanding aggregate principal amount of approximately MYR16,072,000 (equivalent to S$5,181,613, based on the exchange rate of MYR1 : S$0.3224) (the "**YC Shareholder's Loan**")

By virtue of the Target becoming a subsidiary of the Company subsequent to the completion of the Proposed YC Acquisition, the YC Shareholder's Loan will consequently constitute an ongoing interested person transaction between Mr Chu Sau Ben and the enlarged Group post-completion under Chapter 9 of the Catalist Rules. Rule 909(3) of the Catalist Rules states that in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In this case, the YC Shareholder's Loan is interest-free.

The current total value of all interested person transactions, excluding transactions which are less than S$100,000, with (a) Mr Chu Sau Ben and his associates; and (b) all interested persons of the Company (including Mr Chu Sau Ben and his associates) for the period from 1 January 2017 to the date of this Announcement and current total value of all interested person transactions as a percentage of the Group's latest audited NTA as at 31 December 2016 are as follows:

	Before the Proposed YC Acquisition		After the Proposed YC Acquisition	
	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016
Total value of all interested person transactions, excluding transactions which are less than S$100,000, with Mr Chu Sau Ben and his associates for the period from 1 January 2017 to the date of this Announcement	S$0	-	S$15,000,000	64.24%

	Before the Proposed YC Acquisition		After the Proposed YC Acquisition	
	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016	Amount	As a percentage of the Group's latest audited NTA as at 31 December 2016
Total value of all interested person transactions, excluding transactions which are less than S$100,000, with all interested persons of the Company (including Mr Chu Sau Ben and his associates) for the period from 1 January 2017 to the date of this Announcement	S$0	-	S$15,000,000	64.24%

As the total value of all interested transactions, excluding transactions which are less than S$100,000, with Mr Chu Sau Ben and his associates for the period from 1 January 2017 to the date of this Announcement (including the Proposed YC Acquisition) represents approximately 64.24% which is more than 5% of the Group's latest audited NTA as at 31 December 2016, shareholder approval for the Proposed YC Acquisition is required.

7. RATIONALE

The Directors are of the view that the Proposed YC Acquisition is in line with the Group's goal to increase shareholders' value, and is in the best interests of the Group for the following reasons:

(a) The Proposed YC Acquisition is in line with the Group's growth strategy to expand the Group's business into the business of providing leisure and corporate travel and travel related services in Asia, which includes, among others, making arrangements for air tickets and accommodation, advising on leisure travel packages and offering of other travel-related services and products (the "**Tourism Business**").

On 5 August 2015, the Company obtained shareholders' approval to diversify into the Tourism Business. The Company is of the view that the prospects in relation to the tourism and travel services industry are positive, due to, among others, the expected continuation of strong growth figures for international tourism and the proliferation of regional low cost carriers. The Proposed YC Acquisition is in line with the Group's strategy to expand into the Tourism Business, and the Company believes that the business of the Target Group has the potential to generate an additional stream of revenue for the Group.

(b) The Proposed YC Acquisition will allow the Group to tap into the Target Group's existing customer base and established industry reputation.

The Target Group's customers include those from China, Indonesia, Europe, India, Singapore, Middle East and the USA, with a majority of its customers being tourists from China, who engage the Target Group primarily for the Target Group's inbound tour and travel-related services in Malaysia. Barring any unforeseen circumstances, the Company believes that subsequent to the completion of the Proposed YC Acquisition, it will be able to continue to tap on the Target Group's existing customer base and established industry reputation within the Malaysia tourism market to generate revenue for the Group.

8. SOURCE OF FUNDS FOR THE PROPOSED YC ACQUISITION

The Consideration shall be fully satisfied via the allotment of the Consideration Shares as set out above.

The estimated professional and other fees and expenses incurred or to be incurred by the Company in connection with the Proposed YC Acquisition (inclusive of GST) of approximately S$450,000 will be fully funded through the Company's internal resources and / or bank borrowings.

9. *PRO FORMA* FINANCIAL EFFECTS OF THE YC SPA

The *pro forma* financial effects of the Proposed YC Acquisition on the NTA per share and the earnings per share of the Group have been prepared based on the audited consolidated financial statements of the Company for FY2016.

For the purpose of illustrating the financial effects of the Proposed YC Acquisition, the *pro forma* financial effects have been prepared based on, among others, the following assumptions:

(a) the financial effects on the NTA per share of the Group are computed assuming that the Proposed YC Acquisition was completed on 31 December 2016;

(b) the financial effects on the earnings per share of the Group are computed assuming that the Proposed YC Acquisition was completed on 1 January 2016;

(c) the financial effects on the NTA per share of the Group are computed assuming that the Investment Property Disposal has been excluded from Proposed YC Acquisiton;

(d) the financial effects on NTA per share and earnings per share of the Group are computed based on an aggregation of the unconsolidated financial statements of each Target Group Company; and

(e) any taxes arising or having arisen in connection with the Investment Property, and all cost and expenses are disregarded for the purposes of calculating the *pro forma* financial effects.

<u>Effects on NTA per share</u>

	Before completion of the Proposed YC Acquisition	**After completion of the Proposed YC Acquisition**	**After completion of the Proposed Acquisition (excluding the Investment Property)**
NTA (S$'000)	23,351	26,321	24,760
Number of issued shares ('000)	117,499	234,687	234,687

	Before completion of the Proposed YC Acquisition	After completion of the Proposed YC Acquisition	After completion of the Proposed Acquisition (excluding the Investment Property)
NTA per share (cents)	19.87	11.22	10.55

Effects on earnings per share

	Before completion of the Proposed YC Acquisition	After completion of the Proposed YC Acquisition
Profit from continuing operations attributable to owners of the Company (S$'000)	1,808	3,474
Weighted average number of issued shares ('000)	117,499	234,687
Earnings per share (cents)	1.54	1.48

The *pro forma* financial effects presented above are for illustrative purposes only and are not intended to reflect the actual future results and/or financial position of the Group upon completion of the Proposed YC Acquisition. No representation is made as to the actual future results and/or financial position of the Group.

10. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company has appointed RHT Capital Pte. Ltd. ("**IFA**") as its independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed YC Acquisition as an interested person transaction.

11. AUDIT COMMITTEE STATEMENT

The members of the Audit Committee are independent for the purposes of the Proposed YC Acquisition as an interested person transaction.

The Audit Committee will obtaining an opinion from the IFA before forming its view on the Proposed YC Acquisition as an interested person transaction.

12. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN RULE 1006 OF THE CATALIST RULES

Rule 1006 of the Catalist Rules	Description	Relative figures
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable(1)

Rule 1006 of the Catalist Rules	Description	Relative figures
(b)	The net profits attributable to the assets acquired or disposed of, compared to with the Group's net profits.	92.11%[(2)]
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	98.03%[(3)]
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	98.03%[(4)]
(e)	The aggregate volume or amount proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable[(5)]

Notes:

(1) The Proposed YC Acquisition relates to an acquisition of assets and not a disposal of assets.

(2) The net profit attributable to the Sale Shares of approximately S$1,665,589 for FY2016 represents approximately 92.11% of the Group's net profit of approximately S$1,808,212 for FY2016.

(3) The Consideration of S$15,000,000 represents approximately 98.03% of the Company's market capitalisation of approximately S$15,301,401 on 10 October 2017, being the market day preceding the date of the YC SPA.

(4) The 117,187,500 Consideration Shares to be allotted and issued at an issue price of S$0.128 per Consideration Share in satisfaction of the non-cash component of the Consideration represents approximately 98.03% of the Company's 119,542,198 issued and paid-up shares.

(5) The Proposed YC Acquisition relates to an acquisition of assets and not a disposal of assets. The Company is also not a mineral, oil and gas company.

As the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules is more than 75% but does not exceed 100%, the Proposed YC Acquisition is a "Major Transaction" as defined in Chapter 10 of the Catalist Rules. Accordingly, the Proposed YC Acquisition will be subject to approval by shareholders in a general meeting.

13. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial shareholders of the Company has any interest, direct or indirect, in the Proposed YC Acquisition, other than through their respective shareholdings (if any) in the Company.

14. SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed YC Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

15. DOCUMENTS FOR INSPECTION

A copy of the YC SPA is available for inspection at the registered office of the Company at 21 Ubi Road 1, #02-02, Singapore 408724, during normal business hours for three (3) months from the date of this Announcement.

16. FUTHER ANNOUNCEMENTS

The Company will make subsequent announcements to update its shareholders when there are material updates as may be necessary or appropriate.

17. CAUTION IN TRADING

Shareholders and potential investors of the Company should note that the Proposed YC Acquisition is subject to the fulfilment of certain conditions precedent.

Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this Announcement that the Proposed YC Acquisition will be completed. Shareholders and potential investors of the Company are advised to read this Announcement and any further announcements made by the Company carefully. Shareholders and potential investors of Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Chu Sau Ben
Executive Chairman and Chief Executive Officer
10 October 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Company's Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Yap Wai Ming:
Tel: 6389 3000
Email: waiming.yap@morganlewis.com