



(Incorporated in the Republic of Singapore)
(Company Registration Number 201022364R)

**MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED DISPOSAL OF 51% OF
ISSUED AND PAID-UP SHARE CAPITAL OF 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 on 15 April 2019, the Company entered into a memorandum of understanding (the "**MOU**") with Mr Chu Sau Ben, (the "**Purchaser**") and YC Capital Consolidated Sdn. Bhd. ("**YCC**" and together with its subsidiaries, the "**YC Group**") in relation to the proposed disposal of the Group's 51% interest in the issued and paid-up shares of YCC (the "**Proposed YC Disposal**").

The Proposed YC Disposal, if undertaken and completed, is expected to constitute (i) an interested person transaction as defined under Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), which value exceeds 5% of the latest consolidated audited net tangible assets ("**NTA**") of the Group; and (ii) a major transaction under Chapter 10 of the Catalist Rules.

Accordingly, the Proposed YC Disposal, if undertaken, is subject to the approval of Shareholders by way of an ordinary resolution at an extraordinary general meeting of the Company to be convened.

Shareholders of the Company ("**Shareholders**") should note that the MOU is not intended to be legally binding between the Parties, except for certain provisions relating to, *inter alia*, the payment of the Deposit (as defined below), confidentiality, and governing law.

2. INFORMATION ON THE PROPOSED YC DISPOSAL

YC Group

The YC Group was acquired by the Company on 28 March 2018 as part of the Group's plans to expand its 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 Proposed YC Disposal as an Interested Person Transaction

Mr Chu Sau Ben, the proposed Purchaser, is the Executive Chairman and the Chief Executive Officer of the Company. As at the date of this announcement, the Purchaser is also a controlling shareholder of the Company. The Purchaser is therefore an "interested person" as defined under Chapter 9 of the Catalist Rules and the Proposed YC Disposal is an interested person transaction under Chapter 9 of the Catalist Rules.

3. RATIONALE FOR THE PROPOSED YC DISPOSAL

The Company had stated in its circular to Shareholders dated 19 January 2018 that the rationale for the proposed acquisition of the YC Group (the “**YC Acquisition**”) was, *inter alia*:

- (a) The YC Acquisition is in line with the Group’s growth strategy to expand the Group’s business into the tourism business; and
- (b) The YC Acquisition will allow the Group to tap into the YC Group’s existing customer base and established industry reputation.

The Directors are of the view that the factors underpinning the YC Acquisition have shifted since the departure of YC Group’s senior management team in October 2018. Considering that the Consideration amount of S\$12.0 million is the same amount that the Group had paid the Purchaser for the YC Acquisition, the Directors are of the view that the Proposed YC Disposal is beneficial to the Group.

4. PRINCIPAL TERMS OF THE PROPOSED YC DISPOSAL

Pursuant to the MOU, subject to a definitive sale and purchase agreement to be executed in respect of the Proposed YC Disposal (the “**Definitive Agreement**”), it is envisaged that the key terms of the Proposed YC Disposal are as follows:

Consideration and deposit

Pursuant to the terms of the MOU, the aggregate consideration for the Proposed YC Disposal is intended to be S\$12.0 million (the “**Consideration**”), which is equivalent to the amount of consideration that the Company had paid the Purchaser for the acquisition of the YC Group on 28 March 2018. The Consideration shall be satisfied entirely in cash.

Pursuant to the terms of the MOU, the Company had received partial payment of a non-refundable cash deposit of S\$2.5 million upon the signing of the MOU (the “**Deposit**”). The Deposit shall be offset against the Consideration payable by the Purchaser to the Company on the completion date of the Definitive Agreement.

Conditions precedent

The Proposed YC Disposal shall be conditional upon certain conditions precedent, including but not limited to the following:

- (a) the Company and YCC having obtained all necessary approvals from their respective board of directors and/or shareholders in connection with the Proposed YC Disposal (including but not limited to the approval of the Shareholders as may be required under Chapter 9 and Chapter 10 of the Catalist Rules) and the transactions contemplated therein as may be necessary;
- (b) an independent valuation to be conducted on the YC Group by a reputable independent valuer to be appointed by the Company;
- (c) the Company obtaining an opinion from an independent financial adviser that the transactions contemplated herein are on normal commercial terms and that the transactions contemplated herein are not prejudicial to the interests of the Company and its minority shareholders;
- (d) the Company, YCC and the Purchaser having obtained all necessary third party, governmental and regulatory consents, approvals and waivers (including but not limited to, where applicable, approval from the SGX-ST) where required for the Proposed YC Disposal; and

- (e) such other conditions precedent that are usual and customary for transactions of this nature.

5. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

The Company will be appointing an independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed YC Disposal as an interested person transaction.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Mr Chu Sau Ben, who is the Purchaser for the purposes of the Proposed YC Disposal, is the Executive Chairman and the Chief Executive Officer of the Company, and is also a controlling shareholder of the Company.

Ms Gn Jong Yuh Gwendolyn is a partner in Shook Lin & Bok LLP, the Company's legal advisers to the Proposed YC Disposal.

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the MOU, save through their respective shareholdings (if any) in the Company.

7. FURTHER ANNOUNCEMENTS

The Company will make further announcements in accordance with the Catalist Rule upon the execution of the Definitive Agreement and/or when there are material developments in respect of the Proposed YC Disposal.

8. CAUTIONARY STATEMENT

Shareholders should note that there is no certainty or assurance as at the date of this announcement that a definitive sale and purchase agreement in respect of the Proposed YC Disposal will be entered into on the terms and conditions set out in the MOU or the Proposed YC Disposal will be undertaken at all.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders 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
LIBRA GROUP LIMITED

Chu Sau Ben
Executive Chairman and Chief Executive Officer

15 April 2019

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The 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.

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