**TRAVELITE HOLDINGS LTD.**
(Incorporated in Singapore)
(Company Registration Number: 200511089K)

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**ACQUISITION OF 50% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF SINGAPORE CROCODILE (1968) PTE LTD**

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## 1. INTRODUCTION

Further to the announcements made on 14 September 2015, 16 September 2015 and 28 September 2015, the Board of Directors (the "**Board**" or "**Directors**") of Travelite Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to announce that YG Marketing Pte. Ltd. ("**YG**"), a wholly-owned subsidiary of the Company and SYI Co (Pte) Ltd (another wholly owned subsidiary of the Company), had today entered into a sale and purchase agreement ("**SPA**") with Dato' Dr Tan Hian Tsin (the "**Vendor**") for the proposed acquisition by YG of 50% of the issued and paid-up share capital of Singapore Crocodile (1968) Pte Ltd ("**SC68**") (the "**Sale Shares**") from the Vendor (the "**Proposed Acquisition**").

## 2. INFORMATION ON SC68

SC68, a company incorporated in Singapore, is principally engaged in the business of wholesaling and retailing of ready-made apparel. As at the date of this announcement, SC68 has an issued and paid-up share capital of S$12,000,000 divided into 12,000,000 ordinary shares, wholly owned by the Vendor.

The audited net tangible liability of SC68 as at 31 December 2014 was approximately S$705,000 and the net tangible asset ("**NTA**") of SC68 as at 30 September 2015 based on its management accounts was approximately S$4,675,000. SC68 registered a net loss of approximately S$1,572,000 for the financial year ended 31 December 2014 (audited) and a net profit of S$5,380,000 (including a one-off profit from discontinued operations of S$4,586,000) for the nine month period ended 30 September 2015 based on its management accounts. No independent valuation was conducted on SC68.

## 3. PURCHASE CONSIDERATION

The purchase consideration for the Proposed Acquisition is S$2,441,570 (the "**Purchase Consideration**") which was arrived at on a willing buyer and willing seller basis, after taking into account, the NTA of SC68 attributable to the Sale Shares as at 30 September 2015 of S$2,337,000 and the earnings and growth prospects of SC68.

The Purchase Consideration will be satisfied by YG in the following manner:

(i) a cash payment of S$1,200,000 payable on the date of the SPA which shall be fully refundable to YG in the event that the Proposed Acquisition does not complete due to the Company's failure to obtain the approval of its shareholders in an extraordinary general meeting (where necessary); and

(ii) the allotment and issue of 1,100,000 new ordinary shares in the capital of YG (the "**Consideration Shares**") at an issue price of S$1.1287 per Consideration Share to the Vendor within 14 days after the date of completion of the Proposed Acquisition (the "**Completion Date**").

## 4. CONDITIONS PRECEDENT

4.1 The completion of the Proposed Acquisition is conditional upon the following conditions precedent being fulfilled:

(i) YG being satisfied in its absolute discretion with the results of the due diligence investigation (whether legal, financial, contractual, tax or otherwise) carried out by itself or a professional service firm engaged by YG in respect of SC68, which had commenced since July 2015 and to be completed by 31 October 2015, including but not limited to the affairs, business, assets, liabilities, operations, records, financial position, financial performance, tax liabilities, accounts, results and prospects of SC68;

(ii) the approval of the shareholders of the Company in an extraordinary general meeting (where necessary) being obtained for the Proposed Acquisition upon the terms and conditions set out in the SPA and such other matters as are necessary in compliance with the relevant provisions of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**");

(iii) SC68 having entered into a licensing agreement with Crocodile International Pte Ltd;

(iv) there has been no change in the shareholding or capital structure of SC68 after the date of the SPA occurring on or before the Completion Date;

(v) no material contract, lease, licence or other similar commercial arrangement of SC68 would be terminated or adversely affected as a result of a change in the legal and beneficial title to the Sale Shares;

(vi) all representations, warranties and undertakings of the Vendor and YG under the SPA being complied with, and being true, accurate and correct in all respects as at the Completion Date, as if repeated at completion and at all times between the date of the SPA and completion;

(vii) each of the parties having performed all of the covenants and agreements required to be performed or caused to be performed by it under the SPA on or before the Completion Date;

(viii) the Vendor or YG not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and

(ix) there being no material adverse change in the corporate structure, management team, principal activities, prospects, operations, assets, business, profits, financial condition of SC68 occurring on or before the Completion Date.

4.2 Each party undertakes to procure the fulfilment of the conditions precedent set out in paragraph 4.1 above within six months from the date of the SPA, unless waived by the Vendor or YG.

5. **OTHER MATERIAL TERMS**

5.1 Mr Thang Teck Jong, the executive Chairman of the Company, will be appointed as Chairman of the board of directors of SC68 with effect on and from the Completion Date.

5.2 Following the completion of the Proposed Acquisition, YG shall have the option to purchase an additional 10% of the issued and paid-up share capital of SC68, for the consideration of S$549,900 which shall be satisfied by way of transferring 1,833,000 treasury shares held by the Company to the Vendor provided that such option to purchase shall be exercised on or before 30 November 2015 (the "**Option**").

**6. RATIONALE**

The Directors believe that the Proposed Acquisition will benefit the Company and its shareholders as follows:

(i) SC68 holds the licensing rights of *Crocodile* trademark, a long established brand in Singapore with annual turnover consistently above S$10 million. The Proposed Acquisition is in line with the Group's plan to rejuvenate the stable of brands it represents;

(ii) Purchase efficiency of the Group may be enhanced with broadened supplier base and competitive pricing by tapping on the suppliers of SC68;

(iii) The Group may benefit from the strategic partnership with the Vendor who has extensive business network and vast experience in the industry; and

(iv) With larger volume of turnover, the Group shall be better positioned to derive synergies from the integration and improve its operational efficiency by streamlining common operations.

**7. FINANCING**

The Purchase Consideration will be funded through the allotment and issue of the Consideration Shares and internal resources.

**8. FINANCIAL EFFECTS**

The financial effects of the Proposed Acquisition on the Group set out below are purely for illustrative purposes only and do not reflect the future actual financial position of the Company or the Group after completion of the Proposed Acquisition.

The financial effects of the Proposed Acquisition were calculated based on the audited consolidated financial statements of the Group for the financial year ended 31 March 2015 ("**FY2015**") and the last audited financial statements of SC68 for the financial year ended 31 December 2014.

8.1 **NTA**

The financial effect of the Proposed Acquisition on the NTA per share of the Group for FY2015, assuming that the Proposed Acquisition had been effected as at 31 March 2015 is as follows:

| As at 31 March 2015 | Before Proposed Acquisition | After Proposed Acquisition |
|---|---|---|
| NTA (S$'000) [(1)] | 24,033 | 22,127 |
| Number of issued shares [(2)] | 102,619,020 | 102,619,020 |
| NTA per share (cents) | 23.42 | 21.56 |

**Notes:**

(1) Includes non-controlling interests.

(2) Excludes treasury shares.

8.2 **Loss per share**

The financial effect of the Proposed Acquisition on the loss per share of the Group for FY2015, assuming that the Proposed Acquisition had been effected on 1 April 2014 is as follows:

| FY2015 | Before Proposed Acquisition | After Proposed Acquisition |
|---|---|---|
| Loss after tax and non-controlling interests (S$'000) | 4,504 | 5,173 |
| Weighted average number of issued shares | 102,619,020 | 102,619,020 |
| Loss per share (cents) | 4.39 | 5.04 |

**9. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE SGX-ST LISTING MANUAL**

Taking into consideration the Option, the relative figures for the Proposed Acquisition computed on the relevant bases set out in Rule 1006 of the SGX-ST Listing Manual are as follows:

| Rule 1006 | Bases | % |
|---|---|---|
| (a) | The net asset value of the assets to be disposed of, compared with the Group's net asset value | Not applicable |
| (b) | The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits | Not meaningful [(1)] |
| (c) | The aggregate value of the consideration given or received, compared with the Company's market capitalisation | 16.2% [(2)] |
| (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 | 3.0% [(3)] |
| (e) | The aggregate volume or amount proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves | Not applicable |

**Notes:**

(1) The relative figure is 21.8% based on the net loss before tax attributable to the assets acquired of approximately S$943,000 for the financial year ended 31 December 2014 and the Group's net loss before tax of approximately S$4,329,000 for FY2015. However, SC68 registered a net profit of S$5,380,000 (including a one-off profit from discontinued operations of S$4,586,000) for the nine month period ended 30 September 2015 based on its management accounts.

(2) Based on the aggregate value of the purchase consideration of the Proposed Acquisition of approximately S$2.99 million (being the sum of the net asset value of the Consideration Shares as at 31 March 2015 of S$1.24 million, the market value of 1,833,000 treasury shares of the Company of S$549,900 (based on the volume weighted average price of the Company's shares of S$0.30 on 27 August 2015) and the cash consideration of S$1,200,000) and the Company's market capitalisation of approximately S$18.5 million (being its issued ordinary share capital of 61,571,409 shares and the volume weighted average price of the Company's shares of S$0.30 on 27 August 2015, which is the last market day where the shares of the Company were traded preceding the date of the SPA).

(3) Based on the 1,833,000 treasury shares of the Company to be transferred pursuant to the Option and the 61,571,409 existing issued ordinary shares in the capital of the Company excluding treasury shares.

As the relative figures computed based on Rules 1006 (c) and (d) of the SGX-ST Listing Manual are less than 20%, the Proposed Acquisition constitutes a "discloseable transaction" under Chapter 10 of the SGX-ST Listing Manual.

## 10. SERVICE AGREEMENT

There are no directors proposed to be appointed to the Board in connection with the Proposed Acquisition and accordingly no service agreements in relation thereto will be entered into by the Company.

## 11. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

The Company and its Directors and controlling shareholders are not related to the Vendor.

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition, other than through their respective shareholdings (if any) in the Company.

## 12. DOCUMENT AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection at the Company's registered office at 205A Kallang Bahru Singapore 339342 during normal business hours for a period of three months from the date of this announcement.

By Order of the Board

Hoe Kee Kok
Executive Director
22 October 2015