



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

ACQUISITION OF 100% EQUITY INTEREST IN CYBER BUILDERS PTE. LTD. TO BE FULLY SATISFIED BY THE ISSUANCE AND ALLOTMENT OF NEW ORDINARY SHARES IN THE COMPANY

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 on 16 March 2015 entered into a conditional sale and purchase agreement (the “**Agreement**”) with an independent third party, Mr William Kong Ong Sing (the “**Vendor**”), to acquire 1,500,000 ordinary shares of Cyber Builders Pte. Ltd. (the “**Target**”), representing 100% of the issued and paid-up share capital of the Target (the “**Acquisition**”). The consideration for the Acquisition is S\$999,900 (the “**Consideration Amount**”) which shall be fully satisfied by the issuance and allotment of 4,545,000 new ordinary shares in the Company (the “**Consideration Shares**”) at an issue price of S\$0.22 per Consideration Share. The Consideration Amount was arrived at after arms’ length negotiations and on a willing buyer and willing seller basis, taking into account the Target’s track record, the Building and Construction Authority (“**BCA**”) grading of the Target and the Target’s potential to upgrade to BCA main contractor grading of B1 by early 2016.

The Target is a limited exempt private company which was incorporated on 11 July 2000 in Singapore with an issued and paid-up share capital of S\$1.5 million. The Target is primarily engaged in building construction activities as a general contractor with BCA main contractor grading of C1. At C1 level, the Target is allowed to tender for public sector projects up to S\$4.2 million. The unaudited net asset value of the Target was S\$0.34 million as at 31 December 2014 and the Target recorded an unaudited loss before tax of approximately S\$0.71 million for the financial year ended 31 December 2014 (“**FY2014**”).

Despite the Target’s loss making position in FY2014, the Board is of the view that the Acquisition is in the interests of the Group. The losses were mainly attributable to rising costs of materials, staff costs incurred and low revenue given the Target’s lack of financial capacity to secure more contracts. The Board also sees potential in the Target in light of the potential upgrading of its BCA main contractor grading to B1 which would increase the Target’s tender capacity for public sector projects to up to S\$42 million (the “**Proposed Upgrading**”), as well as recent projects secured by the Target and potential new projects under negotiation.

Furthermore, the Board believes that the Acquisition would be complementary and synergistic to the Group’s existing building construction business, currently being undertaken by its wholly-owned subsidiary, Libra Building Construction Pte. Ltd. With the Company as the Target’s sole shareholder, it is expected that the Target will have better resources for growth. After the Acquisition, the Group will enhance the management team of the Target to drive the growth and profitability of the Target.

None of the Directors or substantial shareholders of the Company has any interest in the Acquisition, save for their interests arising by way of their shareholdings and/or directorships, as the case may be, in the Company.

There are no directors who are proposed to be appointed as a director of the Company in connection with the Acquisition.

2. DETAILS OF THE CONSIDERATION SHARES

The Consideration Shares shall be issued free from all claims, pledges, mortgages, charges, liens and encumbrances and shall rank in all respects *pari passu* with the then existing issued ordinary shares in the capital of the Company (“**Shares**”) at the time of the issue except that the Consideration Shares will not rank for any dividends, rights, allotments or other distributions the record date for which falls on or before the date of the issue of the Consideration Shares.

The Consideration Shares will be issued pursuant to the general share issue mandate given by the shareholders of the Company at the annual general meeting of the Company held on 23 April 2014 (the “**2014 AGM**”) for the Company to issue shares and convertible securities (the “**General Mandate**”).

As at 23 April 2014, the Company had 99,724,000 Shares. Under the General Mandate, the limits approved were for up to 100% of the total number of issued Shares (excluding treasury shares) as at the date of the 2014 AGM, of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company shall not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the 2014 AGM. Since the Company had completed a placement of 15,000,000 Shares in October 2014 (please refer to Company’s announcement dated 26 September 2014 and 13 October 2014) under the General Mandate, the balance number of Shares that may be issued pursuant to the General Mandate is 84,724,000 Shares, of which the maximum number of Shares to be issued other than on a pro-rata basis is 34,862,000 Shares. The proposed allotment and issuance of the Consideration Shares will fall within the limit of the General Mandate.

Assuming the successful allotment and issue of the Consideration Shares, the Company’s issued and paid-up share capital will increase from 114,724,000 Shares to 119,269,000 Shares. The Consideration Shares represents 3.96% of the existing issued and paid-up share capital of the Company as at the date of this announcement and approximately 3.81% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Consideration Shares.

The issue price of S\$0.22 per Consideration Share is equivalent to the volume weighted average price of S\$0.22 for each Share, based on trades done on the Shares on the Catalist of the SGX-ST on 13 March 2015, being the last full market day prior to the signing of the Agreement.

The Consideration Shares will not be placed out to any person who is a Director or a substantial shareholder of the Company, or any other person falling within the categories set out in Rule 812(1) of the SGX-ST Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”), save for exceptions under Rule 812(3) of the Catalist Rules.

3. KEY TERMS OF THE ACQUISITION

3.1. Conditions Precedent

The Acquisition is subject to the following terms and conditions, *inter alia*:

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

- (iii) no material adverse change (as determined by the Company as the purchaser in its absolute discretion) in the prospects, business, operations, assets or financial conditions of the Target occurring since the date of the Agreement to the completion date (the “**Completion Date**”);
- (iv) there is no breach by the Vendor and the Target of their respective representations, warranties, covenants and indemnities contained in the Agreement;
- (v) the receipt by the Company of the disclosure letter (the “**Disclosure Letter**”) from the Target, delivered to the Company on or after the signing of the Agreement but prior to the Completion Date and which discloses information relating to the respective warranties in the Agreement, and the Company being satisfied with the contents thereof of the Disclosure Letter;
- (vi) The completion and satisfactory outcome, of all financial and legal due diligence investigations (the “**Due Diligence Investigations**”) by the Company and its professional advisers into, amongst others, the financial, contractual, tax and prospects, of the Target and title to its assets;
- (vii) the results of Due Diligence Investigations, being satisfactory to the Company in its absolute discretion;
- (viii) the procurement by the Vendor of the delivery by the Target of the management accounts and the audited accounts of the Target (the “**Accounts**”) to the Company;
- (ix) the Accounts not being qualified in any material way, save as allowed by the Company in its absolute discretion;
- (x) Service agreement between the Target with the Vendor having been executed;
- (xi) each of the warranties and undertakings remaining true and not misleading in any respect at completion, as if repeated at completion and at all times between the date of the Agreement and completion; and
- (xii) all necessary third party, governmental and regulatory consents, approvals and waivers where required for the transactions contemplated in the Agreement having been obtained by the Target, and such consents, approvals and waivers not having been amended or revoked before Completion Date, and if any consents, approvals or waivers are subject to conditions, such conditions being acceptable to the Company.

3.2. Post-Completion Covenants of the Vendor

Under the Agreement, the Vendor covenants and undertakes to the Company and/or the Target that, subsequent to the completion of the Acquisition (“**Completion**”), the Vendor shall indemnify the Company and its successors and/or the Target against, *inter alia*, (a) all losses arising out of the liabilities and contingent liabilities of the Target as at the Completion Date, (b) all losses arising out of unsuccessful recovery or unsuccessful collection of all debts due to the Target as at the Completion Date and (c) all losses incurred by the Target in relation to the Target’s existing projects (as prescribed in the Agreement). The Vendor further covenants and undertakes (a) at the request of the Company, to provide his personal guarantee and such other security which is required by any third party lender or creditor to secure any existing and future banking and credit facility provided by such third party to the Target; (b) within 12 months from the Completion, to procure Cyber Interior Pte. Ltd (Company Registration No. 200714458R), a company in which the Vendor is a shareholder and a director of, to change its name to any other name which does not contain the words or phrases: “Cyber” in any combination whatsoever; and (c) to discharge a guarantee given by the Target in relation to a personal loan of S\$200,000 taken by a director of the Target.

3.3. Post-Completion Covenants of the Company

Under the Agreement, the Company covenants and undertakes to the Vendor to dispose the Target's property located at 3 Ang Mo Kio Street 62 #07-07 Link@AMK, Singapore 569139 (the "**Investment Property**") on or before 12 months from the Completion Date (the "**Disposal Date**") (the "**Disposal**"). The terms on conditions of the Disposal including the consideration and timing of the Disposal shall be determined by the Company in its absolute discretion. The Target shall use the proceeds from the Disposal to discharge any indebtedness of the Target in relation to the Investment Property ("**Investment Property Indebtedness**"). In the event that proceeds from the Disposal are not sufficient to discharge Investment Property Indebtedness, the Vendor shall pay to the Target and/or the Company such shortfall so as to enable the Target and/or the Company to discharge the Investment Property Indebtedness and to pay for the cost and expenses in relation to the Disposal. In the event that there is a surplus from the Disposal after discharging the Investment Property Indebtedness and paying cost and expenses in relation to the Disposal, the Target and/or the Company shall pay such surplus to the Vendor. The Company and the Vendor may mutually agree to extend the Disposal Date.

3.4. Moratorium

The Vendor covenants and undertakes to the Company that he shall execute such moratorium undertakings not to dispose of, realise or transfer any of the Consideration Shares which may be issued on Completion for a period of two (2) years from the Completion Date.

3.5. Undertakings, Representations and Warranties

The Acquisition is subject to such further undertakings, representations and warranties from the Company and the Vendor as are customary for transactions of similar nature.

4. SUNGEI KADUT PROPERTY

On 23 February 2015, The Target has exercised an option to purchase a property located at 34 Sungei Kadut Loop, Singapore 729488 (the "**Property**") from Admin Construction Pte. Ltd. (in Creditors Voluntary Liquidation) (the "**SKP Vendor**"). The Property has a land area of 9,168 square metres and a gross floor area of approximately 7,837.2 square metres with the approved use by Jurong Town Corporation ("**JTC**") for fabrication of metal parts for construction use only. Its 30-year lease with JTC commenced on 1st September 1991. The sale price for the Property is S\$6,800,000 (of which the sum of S\$68,000, which is the option money, and the sum of S\$272,000, which is the exercise monies, had been paid by the Target to the SKP Vendor prior to the date of the Agreement). The purchase of the Property is subject to the following: (i) approval by the JTC of the assignment to the Target; and (ii) approval by the shareholders of the Target for the purchase of the Property being obtained on or before 8 June 2015 or such other date as the Target and SKP Vendor may agree. In the event that the Target does not obtain its shareholders' approval and is unable to proceed with the completion of the Company, the Vendor shall forfeit the aggregate sum of monies already paid by the Target (i.e., S\$340,000) prior to the date of the Agreement. The completion of the purchase of the Property ("**Property Completion**") is scheduled to take place 8 weeks after obtaining JTC approval to the assignment or the completion of decontamination works required to the Property, if required by JTC.

Upon completion of the Acquisition, the Company's intention is to allow the Target to proceed with the Property Completion. The Company intends to house all its workers in the Property in order to reduce the Group's operating costs, promote efficiency and eliminate uncertainty in relation to the accommodation of its workers. In the event that there is an extra space in the Property, the Company may consider renting out the extra space to generate additional income. The rental of any extra space in the Property will be carried out strategically and judiciously by the Company taking into consideration its future expansion plan.

The balance of the Consideration which is payable upon the Property Completion (i.e., S\$6,460,000) will be financed through internal resources, bank borrowings and/or fund raising exercise.

5. RELATIVE FIGURES FOR THE ACQUISITION

The relative figures computed on bases as set out in Rule 1006 of the Catalist Rules, and based on the Group's unaudited latest announced consolidated results for the financial year ended 31 December 2014 ("FY2014") are as follows:

Catalist Rule	Bases	Relative figures
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable
(b)	Net loss attributable to the assets acquired, compared with the Group's net profits.	(13.51%) ⁽¹⁾
(c)	Aggregate value of the consideration given, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	3.96% ⁽²⁾
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	3.96% ⁽³⁾
(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

Notes:

- (1) Based on the unaudited loss before tax of the Target of approximately S\$0.71 million in FY2014 and the Group's unaudited profit before tax of S\$5.27 million in FY2014. Since the relative figure calculated under Catalist Rule 1006(b) is negative, in accordance to Catalist Rule 1007(1), the Company's sponsor has consulted the SGX-ST and sought confirmation that while Chapter 10 of the Catalist Rules is still applicable, shareholders' approval is not required for the Acquisition in view of the rationale for the Acquisition as disclosed above and with no change in controlling shareholder post the issuance of the Consideration Shares.
- (2) Based on the volume weighted average price of S\$0.22 on 13 March 2015 and 114,724,000 Shares of the Company.
- (3) Based on 4,545,000 Consideration Shares and 114,724,000 Shares in issue.

6. FINANCIAL EFFECTS OF THE ACQUISITION

For illustrative purposes only, the financial effects of the Acquisition on the net tangible assets per Share and earnings per Share of the Group, based on the unaudited consolidated financial statements of the Group for FY2014 are set out below.

Effects on net tangible assets per share

Had the Acquisition been effected on 31 December 2014, the financial effect on the net tangible assets per Share of the Group is as follows:

	Before Acquisition	After Acquisition
Net tangible assets (S\$'000)	17,804	18,144
Number of issued Shares	114,724,000	119,269,000
Net tangible assets per Share (Singapore cents)	15.52	15.21

Effects on earnings per Share

Had the Acquisition been effected on 1 January 2014, the financial impact on the Group's earnings per Share for FY2014 is as follows:

	Before Acquisition	After Acquisition
Profit attributable to owners of the Company (S\$'000)	5,318	4,606
Weighted average number of issued shares	102,970,575	107,575,575
Earnings per share (Singapore cents)	5.16	4.28

The above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance of the Group after the Acquisition. No representation is made as to the actual financial position and/or results of the Group after the completion of the Acquisition.

7. ADDITIONAL LISTING APPLICATION

The sponsor of the Company (the "**Sponsor**"), PrimePartners Corporate Finance Pte. Ltd., will be making an application on behalf of the Company to the SGX-ST for the dealing in, listing of and quotation for the Consideration Shares on Catalist of the SGX-ST.

The Company will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Consideration Shares on Catalist of the SGX-ST.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Agreement is available for inspection during normal business hours at the Company's registered address at 101 Defu Lane10, Singapore 539222 for a period of three (3) months from the date of this announcement.

By Order of the Board
LIBRA GROUP LIMITED

Chu Sau Ben
Executive Chairman and Chief Executive Officer

17 March 2015

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"), for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not 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 accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229-8088.