



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

ACQUISITION OF AN OPTION TO SUBSCRIBE FOR NEW ORDINARY SHARES IN NEPTUNE AVIATION LTD

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 20 November 2015, entered into an option agreement (the "**Option Agreement**") with Neptune Aviation Ltd (the "**Target**") and its existing shareholders, Sheikh Salleh bin Sheikh Abod and Mohd Jabbarullah bin Abd Kadir (the "**Existing Shareholders**") to acquire an option for the consideration of US\$1.00 ("**Option**") to subscribe for new ordinary shares in the Target ("**Option Shares**"), such number of Option Shares to be issued to the Company upon exercise of the Option is based on the formula as set out in paragraph 3(i) below.

2. THE TARGET

The Target is a limited liability company incorporated on 3 September 2015 under the laws of the Federal Territory of Labuan, Malaysia. The Target has an issued and paid-up share capital of US\$1,000 comprising 1,000 ordinary shares.

As at the date of this announcement, the Target is principally engaged in aviation-related business(es). The Target has entered into the following agreements as at the date of this announcement:

- (1) two sale and purchase agreements with a third party to acquire, in aggregate, two Boeing 737-400 airplanes (the "**SPAs**"); and
- (2) two heads of agreements with a third party to acquire, in aggregate, two Boeing 737-400 airplanes (the "**HOAs**"),

(each acquisition of an airplane a "**Plane Acquisition**" and collectively the "**Plane Acquisitions**").

The Target is in an unaudited net tangible liability and net liability positions of US\$59,773 as at 31 October 2015. The Target has only commenced operations in November 2015 and accordingly has no past track record and no historical financial performance attributable to it as at 31 October 2015. The Target is jointly owned by the Existing Shareholders equally. The Target, its directors and the Existing Shareholders are not related to the Company, its Directors and controlling shareholders.

3. MATERIAL TERMS OF THE OPTION AGREEMENT

The material terms of the acquisition and the exercise of the Option are set out below:

- (i) **Exercise of the Option.** Pursuant to the Option Agreement, the Company may subscribe for such number of Option Shares, representing not less than 20% of the enlarged issued share capital of Neptune immediately after the issue of the Option Shares, for an aggregate subscription amount of US\$780,000 (the "**Option Exercise Price**").

The Option may be exercised by the Company in full at any time from the date of the Option Agreement to the date falling one (1) year from the date of the Option Agreement or six (6) months from the date of the extraordinary general meeting of the shareholders of the Company ("**Shareholders**") in relation to the exercise of the Option (if required) (both dates inclusive) (whichever is the later).

- (ii) **Utilisation of the Advance.** The Company shall transfer the Option Exercise Price to the Target as an advance (the "**Advance**") on a fully refundable basis. The Existing Shareholders and the Target have jointly and severally represented, warranted and undertaken to the Company that the Advance received by the Target from the Company shall be utilised by the Target solely for the financing of the Plane Acquisitions.
- (iii) **Security.** The Target and the Existing Shareholders have also jointly and severally undertaken that the Target shall charge the entire beneficial interest in the airplanes following the completion of the Plane Acquisitions in favour of the Company to secure the obligations of the Target and the Existing Shareholders under the Option Agreement.
- (iv) **Termination of the Option and Recovery of the Advance.** The Company may, acting in its absolute discretion, elect to terminate the Option Agreement in any of the following events among others:
 - (a) any of the Target or the Existing Shareholders breaches any obligation in the Option Agreement;
 - (b) the Company is, in its absolute discretion, not satisfied with the results of the due diligence (whether legal, financial, contractual, tax or otherwise) to be carried out by it and/or its advisers on the Target;
 - (c) the valuation of the airplanes, which shall be conducted by an independent valuer appointed by the Company, is not satisfactory to the Company;
 - (d) the approval of the Board and/or the shareholders (if required) of the Company is not granted prior to the exercise of the Option; or
 - (e) the clearance by the Singapore Exchange Securities Trading Limited and/or the sponsor of the Company, PrimePartners Corporate Finance Pte. Ltd., or such other legal, regulatory or government authority as may be necessary is not obtained by or given to the Company,

(each a "**Cessation Event**"). If the Company elects to terminate the Option Agreement pursuant to a Cessation Event, the Target shall (and the Existing Shareholders shall procure that the Target shall) refund the Advance in full to the Company within seven (7) business days.

- (v) **Anti-Dilution.** The Target and its Existing Shareholders have jointly and severally covenanted that in the event that the Target issues any Shares, or instruments which are convertible or exercisable into Shares after the exercise of the Option, for any reason (a "**Subsequent Issuance**"), the Target shall allot and issue such number of new Shares in the Target to the Company or its nominee, for no, or nominal consideration not exceeding US\$1.00 in aggregate, at the same time as the Subsequent Issuance ("**Supplementary Issuance**"), such that the Target holds not less than the same proportion of shareholding in the enlarged and entire issued and paid up share capital of the Target immediately following such Subsequent Issuance and relevant Supplementary Issuance, as it had immediately before such Subsequent Issuance and relevant Supplementary Issuance.

4. CONSIDERATION FOR THE ACQUISITION OF THE OPTION

The Company has paid US\$1.00 to the Target as consideration for the acquisition of the Option. The aforementioned consideration paid by the Company was arrived at by the Company, the Target and the Existing Shareholders on a willing buyer, willing seller basis, taking into account that the SPAs and HOAs have yet to be completed. The consideration for the acquisition of the Option has been satisfied by the Company in cash from the internal resources of the Group.

5. RATIONALE FOR THE ACQUISITION OF THE OPTION

The Company believes that the acquisition of the Option provides the Company with the option to acquire not less than 20% of the enlarged issued share capital of the Target immediately after the issue of the Option Shares, which is principally engaged in aviation-related activities. The acquisition of the Option will accordingly provide the Group with the potential to increase its revenue base through such aviation-related businesses and other operations that the Target may undertake.

Further, the Company believes that the contemplated aviation-related business of the Target would be complementary and synergistic to the Group's tourism business, which the shareholders of the Company had approved in the extraordinary general meeting of the Company held on 5 August 2015.

6. COMPLIANCE WITH THE CATALIST RULES

The Company will make further announcements on SGXNet to keep shareholders informed and updated as may be necessary and/or appropriate when there are material developments in respect of the Option and the terms or exercise thereof, and will comply with the Listing Manual, Section B: Rules of Catalist (the "**Catalist Rules**"), including but not limited to obtaining the approval of its shareholders if necessary (which may include the diversification of the business of the Group to include the aviation business and other aviation-related activities and the exercise of the Option). As the Target is in an unaudited net tangible liability and net liability position of US\$59,773 as at 31 October 2015, the Board will also consult the SGX-ST pursuant to paragraph 11 of Part IV, Practice Note 10A of the Catalist Rules prior to the exercise of the Option. Accordingly, the exercise of the Option will be subject to any requirements stipulated by the SGX-ST following such consultation.

7. FINANCIAL EFFECTS OF THE ACQUISITION OF THE OPTION

The acquisition of the Option is not expected to have any material effect of the Group's net tangible assets per share and earnings per share for the financial year ending 31 December 2015.

8. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

9. SERVICE CONTRACTS

There are no directors who are proposed to be appointed as a director of the Company in connection with the acquisition of the Option. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution in dealing with the shares of the Company as there is no certainty or assurance that as at the date of this announcement that the Option will be or may be exercised by the Company at all. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

11. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the Option Agreement are available for inspection during normal business hours at the Company's registered address at 21 Ubi Road 1 #02-02 Singapore 408724 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

23 November 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.