



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

A. ACQUISITION OF THE REMAINING 49% EQUITY INTEREST IN AI-BUILD PTE. LTD.

B. UPDATE ON THE USE OF PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY'S SHARES ON THE SGX-ST

A. ACQUISITION OF THE REMAINING 49% EQUITY INTEREST IN AI-BUILD PTE. 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 entered into a conditional sale and purchase agreement to acquire the remaining 147,000 ordinary shares, representing 49% of the equity interest, in Ai-Build Pte. Ltd. (the "**Target**") (the "**Acquisition**") at the consideration of S\$290,156.86 (the "**Consideration Amount**"), which shall be satisfied by way of cash upon completion of the Acquisition. The Consideration Amount was arrived at after arms' length negotiations and on a willing buyer and willing seller basis, taking into consideration the past project track record of the Target, the Building and Construction Authority ("**BCA**") main contractor grading of the Target, as well as the recent projects secured by the Target and a potential new project under negotiation.

Currently, the Company holds 51% of the equity interest in the Target and the Target will become a wholly-owned subsidiary of the Company on completion of the Acquisition.

The Target was incorporated in Singapore on 18 May 2012 and its principal activities are building construction and general wholesale trading. The Target is currently registered with the BCA as a main contractor grading at C1 level. At C1 level, the Target is allowed to tender for public sector projects up to S\$4 million. The audited net assets value of the Target is S\$20,507 as at 31 December 2013. For financial year ended 31 December 2013 ("**FY2013**"), the target was making a loss of S\$0.295 million from its operations.

Despite the Target's loss-making position in FY2013, the Board is of the view that the Acquisition is in the interest of the Group as the Acquisition allows the Group to move upward in the value chain of the construction industry. In particular, full control of the Target will allow the Group to quickly expand on the capabilities of the Target to undertake larger construction projects and to speed up integration with other subsidiaries of the Group. Furthermore, the losses suffered by the Target in FY2013 were mainly due to start-up costs, comprise mainly of staff costs that were incurred in the process of bidding for contracts. The Target has recently won two projects amounting to S\$3,398,490 as at end March 2014 and is currently negotiating another construction project amounting to approximately S\$6.2 million. 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.

The Acquisition will be funded from the Company's internal resources and also from the proceeds raised from the initial public offering (the "**IPO**") of the Company on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

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

- a. the receipt by the Company of such waivers or consents as may be necessary to enable the Company and/or its nominee(s) to be registered as holder of the Target's shares;

- b. the termination of the existing shareholders' agreement of the Target; and
- c. the due resignation and termination of the vendors and/or their nominee(s) from their respective offices with the Company, in each case confirming that they have no claim of any nature whatsoever against the Company, whether for remuneration, compensation for loss of office, redundancy, wrongful dismissal, or for any other reason.

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. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

2. RELATIVE FIGURES FOR THE ACQUISITION

The relative figures computed on bases as set out in Rule 1006 of the Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**") of the SGX-ST, and based on the audited consolidated financial statements of the Group for FY2013, are as follows:

(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 profits/(loss) attributable to the assets acquired or disposed of, compared with the Group's net profits. ⁽¹⁾	-91.9%
(c)	Aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares. ⁽²⁾	5.2%
(d)	Number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable
(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 Target's audited loss before taxation of S\$0.295 million for FY2013, and the Group's profit before tax of S\$0.321 million, which has been adjusted to exclude the loss before tax of S\$0.150 million attributable to the Group's 51% stake in the Target. The application of Catalyst Rule 1006(b) in this instance may be regarded as not meaningful as it is a negative figure.
- (2) Based on the aggregate consideration of S\$0.492 million (equivalent to the sum of the initial consideration of S\$0.202 million for the acquisition of the 51% equity interest in the Target and the Consideration Amount of S\$0.290 million) for the acquisition of a 100% stake in the Target and the Company's market capitalisation of S\$9.374 million as at 21 April 2014. Under Catalyst Rule 1002(5), the market capitalisation of the Company is determined by multiplying the number of shares in issue excluding treasury shares, being 99,724,000 ordinary shares, and the volume weighted average price of S\$0.094 per share on 21 April 2014.

As the relative figure under the base set out in Catalyst Rule 1006(c) of the Catalyst Rules exceeds 5%, the Acquisition is a “discloseable transaction” under Catalyst Rule 1010 of the Catalyst Rules.

3. 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 audited consolidated financial statements of the Group for FY2013 are set out below.

Effects on net tangible assets per share

Had the Acquisition been effected on 31 December 2013, the financial effect on the net tangible assets of the Group is as follows:

	Before Acquisition	After Acquisition
Net tangible assets (S\$'000)	10,815	10,815
Number of issued shares	99,724,000	99,724,000
Net tangible assets per share (cents)	10.85	10.85

Effects on earnings per share

Had the Acquisition been effected on 1 January 2013, the financial impact on the Company's earnings per share for FY2013 is as follows:

	Before Acquisition	After Acquisition
Profit attributable to equity holders of the Company (S\$'000)	520	377
Weighted average number of issued shares	99,724,000	99,724,000
Earnings per share (cents)	0.52	0.38

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

4. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the conditional sale and purchase agreement is available for inspection during normal business hours at the Company's registered address at 101 Defu Lane 10, Singapore 539222 for a period of three (3) months from the date of this announcement.

B. USE OF PROCEEDS FROM THE IPO

The Board is pleased to announce that out of the total remaining net proceeds from the IPO, S\$68,000 will be utilised for the Acquisition, which is in accordance with the intended use of exploring opportunities in mergers and acquisitions, joint ventures and strategic alliances.

Upon the completion of the Acquisition, the status of the IPO proceeds will be as follows:

	Amount allocated pursuant to the Reallocation ⁽¹⁾	Amount utilised as at the date of the Announcement	Balance amount
	(A)	(B)	(A) – (B)
	S\$'000	S\$'000	S\$'000
Intended use as revised			
Expansion of manufacturing facility in Singapore	300	300	-
Explore opportunities in mergers and acquisitions, joint ventures and strategic alliances	300	300	-
Working capital	4,730	4,730 ⁽²⁾	-
TOTAL	5,330	5,330	-

(1) The Reallocation was announced on 23 January 2014

(2) The proceeds had been used for payment of IPO expenses and for increasing the share capital of the Company's wholly owned subsidiary, KinXin Engineering Pte Ltd ("KinXin"), and for staff recruitment and payment to suppliers for purchases in Kin Xin.

By Order of the Board
LIBRA GROUP LIMITED

Chu Sau Ben
Executive Chairman and Chief Executive Officer

22 April 2014

This announcement has been prepared by the Company and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules 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 and the SGX-ST assumes 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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