

LIBRA

GROUP LIMITED

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

PROPOSED ACQUISITION OF 51% OF THE ISSUED AND PAID-UP SHARES IN YC CAPITAL CONSOLIDATED SDN. BHD.

The Board of Directors (the “**Board**”) of Libra Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 10 October 2017 and 2 January 2018 in relation to the proposed acquisition of 51% of the issued and paid-up shares in YC Capital Consolidated Sdn. Bhd. (the “**Announcements**”). Unless otherwise defined or the context requires otherwise, all capitalised terms shall bear the same meanings as ascribed to them in the Announcements.

On 10 October 2017, the Company, the Vendor, Mr Choong Hin Seong, Tuan Haji Anuar bin Ahmad and the Target (collectively, the “**Parties**”) had entered into a conditional sale and purchase agreement in relation to the Company’s acquisition of 1,020,000 ordinary shares (representing 51% of the issued and paid-up share capital) in YC Capital Consolidated Sdn. Bhd. from the Vendor (the “**YC SPA**”). Further to the Announcements, the Company wishes to update shareholders that a supplemental agreement (the “**YC Supplemental Agreement**”) has been entered into between the Parties on 10 January 2018 to supplement the provisions of the YC SPA in respect of, amongst others, the matters set out below.

- (a) The Company has identified its wholly-owned subsidiary, Libra Engineering Sdn. Bhd. (Malaysia Company Registration No. 893835-P), to acquire the Sale Shares. Following the completion of the Proposed YC Acquisition, the Target will become a 51%-held direct subsidiary of Libra Engineering Sdn. Bhd. and a 51%-held indirect subsidiary of the Company.
- (b) Following further discussions between the Company and the Vendor, the Company and the Vendor have agreed to revise the aggregate consideration for the Proposed YC Acquisition from S\$15,000,000 to S\$12,000,000 (equivalent to approximately MYR 37,220,844, based on the exchange rate of MYR1 : S\$0.3224) (the “**Consideration**”), which shall be payable by the Company to the Vendor by way of an issue and allotment of 93,750,000 ordinary shares in the share capital of the Company (the “**Consideration Shares**”) to the Vendor at an issue price of S\$0.128 per Consideration Share on the completion date.
- (c) The Company and the Vendor have agreed that in addition to the Consideration as set out in paragraph (b) above, the Company shall pay the Vendor a sum of up to S\$2.0 million (“**Earn-out Incentive**”) on the business day falling three (3) months from the date of the audited consolidated financial statements of the Target Group for the financial year ended 31 December 2018 (“**FY2018**”). The Earn-out Incentive shall be fully satisfied by the issuance and allotment of the ordinary shares in the share capital of the Company to the Vendor at an issue price of S\$0.128 per share. The Earn-out Incentive payable to the Vendor shall be computed as follows:
 - (i) where the Target Group’s net profits after tax (“**NPAT**”) for FY2018 is equal to or more than MYR 7.0 million but lower than MYR 8.0 million, the Earn-out Incentive will be S\$1.0 million;
 - (ii) where the Target Group’s NPAT for FY2018 is equal to or more than MYR 8.0 million, the Earn-out Incentive will be S\$2.0 million; and

(iii) where the Target Group's NPAT for FY2018 is less than MYR 7.0 million, no Earn-out Incentive shall be payable to the Vendor.

(d) The Vendor has agreed to undertake to the Company that he will not sell any of the Consideration Shares until the business day falling three (3) months from the date of the audited consolidated financial statements of the Target Group for FY2018.

A copy of the YC Supplemental Agreement is available for inspection at the registered office of the Company at 21 Ubi Road 1, #02-02, Singapore 408724, during normal business hours for three (3) months from the date of this Announcement.

In the Company's announcement on 10 October 2017, it was announced that there is an existing shareholder's loan granted by the Vendor to the Target Group with an outstanding aggregate principal amount of approximately MYR 16,072,000. The Company wishes to update that as at the date of this announcement, the outstanding aggregate principal amount owing to the Vendor from the Target Group under the shareholder's loan is approximately MYR 17,192,000. To demonstrate his commitment to the Company and to clean up the Target Group's balance sheet, the Vendor has agreed to waive the entire aggregate sum of the shareholder's loan owing to him with effect from the completion date of the Proposed YC Acquisition (the "**Waiver**"). In this regard, the Vendor and the Target had entered into a letter of agreement on 10 January 2018 to record the terms of the Waiver.

Shareholders and potential investors of the Company should note that the Proposed YC Acquisition is subject to the fulfilment of certain conditions precedent including, among others, approval by shareholders in a general meeting. Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. In particular, shareholders and potential investors of the Company should note that there is no certainty or assurance as at the date of this Announcement that the Proposed YC Acquisition will be completed. Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

The Company will make subsequent announcements to update its shareholders when there are material updates as may be necessary or appropriate.

BY ORDER OF THE BOARD

Chu Sau Ben
Executive Chairman and Chief Executive Officer
10 January 2018

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

The contact person for the Sponsor is Mr Yap Wai Ming:

Tel: 6389 3000

Email: waiming.yap@morganlewis.com