



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

RESPONSE TO SGX QUERIES ON THE ANNOUNCEMENT OF THE COMPANY DATED 19 OCTOBER 2018 RELATING TO THE RECEIPT OF WRIT OF SUMMONS

The Board of Directors (the “**Board**”) of Libra Group Limited (the “**Company**”) wishes to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 22 October 2018 and 26 October 2018 as requested by the SGX-ST on 19 November 2018, with reference to the Company’s announcement dated 19 October 2018 relating to the Company’s receipt of a writ of summons filed by Low Kee Kian, Phan Cheen-Hau, Lee Ching Mei, Koh Kwan Hong, Choon Hin Seong and Anuar Bin Ahmad (the “**Plaintiff Group**”) in the High Court of Kuala Lumpur (the “**Civil Suit**”) (the “**Announcement**”).

Unless otherwise defined, all capitalized terms utilized herein shall have the meanings ascribed to them in the Announcement.

Question:

- (a) **What is the aggregate value of the Plaintiff Group’s claim? This should include any claims made by the Plaintiff Group for, amongst others, damages to be assessed, interests and costs (if any).**
- (b) **How material is the Plaintiff Group’s claim / ongoing litigation to the enlarged Group?**

Response:

(a)

Based on an approximate translation of the statement of claim filed by the Plaintiff Group, the Plaintiff Group is seeking the following orders:

- (i) The Defendant Group shall transfer the shares in Tian Di Global Sdn. Bhd. (“**TDG**”), FAME Local Products Sdn. Bhd. (“**FAME**”) and KL Premium Outlet Sdn. Bhd. (“**KLCITY**”) within three (3) days from the date of order with costs of the transfer of shares to be borne by the Defendant Group.
- (ii) Alternatively, the Defendant Group shall jointly or severally pay S\$5 million to the Plaintiff Group.
- (iii) Interest calculated at the rate of 5%.
- (iv) All costs of the Civil Suit to be borne by the Defendant Group.

(b)

S\$5 million represents approximately 17.4% of the unaudited net tangible assets of the Group as at 30 June 2018.

Question:

- (a) What are the specific allegations of the respective Plaintiff(s) vis-à-vis each of the Defendant(s) in the “Defendant Group”?
- (b) Please elaborate on the agreement(s) alleged by the Plaintiff Group. Specifically, were they verbal or written agreement(s)? Who were the parties to the alleged agreement(s)? When were the respective alleged agreement(s) entered into?

Response:

(a)

Based on an approximate translation of the statement of claim filed by the Plaintiff Group, the allegations as pleaded by the Plaintiff Group against Mr Chu Sau Ben (“**Mr Chu**”) are as follows:

- (i) For allegedly inducing members of the Plaintiff Group, on 17 July 2016, to agree to transfer their respective shareholdings in TDG, FAME and KLCITY to YCT in a restructuring exercise which would see them being repaid with the asset value of TDG, FAME and KLCITY at the material time of transfer, which shall be a minimum amount of S\$5 million.
- (ii) For allegedly misrepresenting to members of the Plaintiff Group that the minimum amount of S\$5 million will be paid via a purchase of shares in YC Capital Consolidated Sdn. Bhd. (“**YCC**”) (which YCC shall be the sole shareholder of YCT following the restructuring exercise) by the Company wherein the Company will channel the monies payable for such purchase to members of the Plaintiff Group.

Based on an approximate translation of the statement of claim filed by the Plaintiff Group, the allegations as pleaded by the Plaintiff Group against YCT are as follows:

- (i) For allegedly inducing members of the Plaintiff Group, on 17 July 2016, to agree to transfer their respective shareholdings in TDG, FAME and KLCITY to YCT in a restructuring exercise which would see them being repaid with the asset value of TDG, FAME and KLCITY at the material time of transfer, which shall be a minimum amount of S\$5 million.
- (ii) For breaching an alleged agreement because YCT failed to pay S\$5 million allegedly owed to members of the Plaintiff Group. Alternatively, for allegedly holding the respective shareholdings of members of the Plaintiff Group in TDG, FAME and KLCITY as bare trustee due to total failure of consideration (non-payment of S\$5 million).

Separately, the Plaintiff Group also alleges that there was an agreement that there shall be no changes to the management of YCC and its subsidiaries (collectively the “**YC Group**”).

Based on an approximate translation of the statement of claim filed by the Plaintiff Group, there were no specific allegations against YCC and the Company.

(b)

Based on an approximate translation of the statement of claim filed by the Plaintiff Group, the material allegations as pleaded by the Plaintiff Group with regard to the alleged verbal representations are set out below.

- (i) In or around July 2016, Mr Chu who was at the relevant time a director and majority shareholder of YCT allegedly met with members of the Plaintiff Group who were at the relevant time shareholders of TDG, FAME and KLCITY. At this meeting, Mr Chu allegedly proposed that:
 - (1) YCT acquires all shares in TDG, FAME and KLCITY not already owned by it.
 - (2) YCT be restructured and all its shares be transferred to YCC.
 - (3) Mr Chu, Choong Hin Seong and Anuar Bin Ahmad hold 51%, 44% and 5% shareholding in YCC respectively following the restructuring exercise.
 - (4) YCC holds the entire shareholding in YCT, and YCT in turn holds the entire shareholding in TDG, FAME and KLCITY following the restructuring exercise.

- (5) Mr Chu sells his 51% shareholding in YCC to the Company and the pay the profits from the sale to members of the Plaintiff Group.
- (6) YCT pays members of the Plaintiff Group the asset value of TDG, FAME and KLCITY at the material time of transfer, which shall be a minimum amount of S\$5 million in consideration for transferring their respective shareholdings in TDG, FAME and KLCITY to YCT.
- (7) The positions and posts held by members of the Plaintiff Group be retained.

("Mr Chu's Offer").

- (ii) In or around March 2017, Members of the Plaintiff Group agreed to Mr Chu's Offer. Members of the Plaintiff Group signed the share transfer forms evidencing the transfer of shares in TDG, FAME and KLCITY to YCT.

Save for share transfer forms evidencing the transfer of shares in TDG, FAME and KLCITY to YCT, the Company is not aware of any verbal or written agreement between the Company, YCC, YCT and/or Mr Chu with any member of the Plaintiff Group.

The Defendant Group categorically refutes and denies each and every one of the allegations set out in the Company's response as set out above.

By Order of the Board
LIBRA GROUP LIMITED

Chu Sau Ben
Executive Chairman and Chief Executive Officer

19 November 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. (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalyst. The 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.

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