

LIBRA

GROUP LIMITED

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

RESPONSE TO QUERIES RAISED BY SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

The Board of Directors (“**Board**”) of Libra Group Limited (“**Company**” and together with its subsidiaries, “**Group**”) wishes to refer to the announcements made on 28 January 2020 in relation to, among others, the resignation of Mr Chu Sau Ben as Executive Chairman and Executive Director and the appointment of Mr Calvin Tan Siok Sing as an Independent Director. Following queries received from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 29 January 2019, the Board wishes to provide the Company’s responses to the questions raised.

No.	Queries	Company’s Response
1.	We noted that the Executive Director and Executive Chairman Mr Chu Sau Ben was served a bankruptcy order, hence his resignation from the Board. Who will then be leading Libra and driving the restructuring?	<p>Ms Christine Liu will remain as the Chief Executive Officer and Executive Director and will be responsible for the day-to-day operations of the Company and Kin Xin Engineering Pte Ltd, which is the sole operating subsidiary of the Company (“Kin Xin”).</p> <p>Notwithstanding Mr Chu Sau Ben’s resignation, he will remain as employee and re-designated as Deputy General Manager of Kin Xin, assisting Ms Liu in the day-to-day operation of Kin Xin.</p> <p>The Company has appointed financial and legal advisors to assist and provide professional support in the restructuring. Ms Liu, together with the Board and such advisors, will work together to drive and continue the restructuring process. In addition, Mr Goh Keng Haw, an independent director of the Company, is a lawyer with experience in restructuring. He was appointed in July 2019 with a view to providing the Board with expertise in the restructuring process. He has assisted SGX-ST main board listed companies in their restructuring, both as in-house counsel and as external lawyer.</p>
2.	It was announced that ID Mr Joel Leong Kum Hoe resigned due to his “differing views on the Board’s plans to restructure the Group and bring the Group forward”. We noted that Mr Joel Leong was only appointed on 30 July 2019. Please provide more information on his differing views. Does the Sponsor have any concerns on this?	<p>Mr Joel Leong Kum Hoe proposed that the Company be put in judicial management as the best course of action going forward, while the majority of the board of directors are of the view that the Company and Kin Xin should continue to try to find ways to turn around the operations via a scheme of arrangement. As the Company has</p>

		<p>identified a replacement AC Chairman, Mr Leong decided to step down.</p> <p>Based on the Sponsor's discussions with the Board, the management of the Company as well as the financial adviser of the Company, there were no other material reasons highlighted to the Sponsor.</p>
<p>3.</p>	<p>New ID Mr Calvin Tan Siok Sing holds past and present directorships in a few troubled companies such as Qingmei Holdings Ltd, Li Heng Chemical Fibre Technologies Ltd, Dukang Distillers Holdings Limited.</p> <p>(i) Were there any disciplinary actions taken on these companies when Mr Calvin Tan was on Board? How was he involved?</p> <p>(ii) What is the Sponsor's and the Nominating Committee's assessment and views on Mr Tan's suitability as Libra's ID?</p>	<p>The Board noted that there were no disciplinary actions taken on Li Heng Chemical Fibre Technologies Ltd and Dukang Distillers Holdings Limited or any of their directors. In addition, it is noted that Li Heng Chemical was successfully delisted, and Dukang Distillers is currently undergoing a very substantial acquisition.</p> <p>In relation to Qingmei Holdings, it was noted that it was directed by the SGX-ST to be delisted. Mr Calvin Tan represented that he assisted the company as one of the ID to liaise with the executive directors on the delisting as well as to secure funds for the issue of physical share certificates. However, the fund-raising exercises were unsuccessful.</p> <p>Save for what is disclosed above, there were no disciplinary actions taken against Qingmei Holdings or its directors.</p> <p><u>Nominating Committee's Assessment</u></p> <p>The Nominating Committee ("NC") has assessed Mr Tan's CV as well as his declaration forms. In addition, the NC (save for Mr Leong) had also met Mr Tan personally and conducted a face-to-face interview/meeting. Mr Tan is currently an independent director of two other SGX-ST listed companies, Dukang Distillers and EuroSports Global Limited (since its initial public offering).</p> <p>To the best knowledge of the NC, there are no disciplinary actions taken in relation to these two companies.</p> <p>Mr Tan was also the AC Chairman for Li Heng Chemical, Changtian Plastic and Chemical Limited, both of which were successfully privatised and delisted. Other than as set out in the</p>

		<p>announcement concerning his appointment, there are no outstanding investigations conducted on Mr Tan personally or on companies in which he is a director.</p> <p>Taking into consideration the above and his qualifications and work experience, the NC is of the view that Mr Tan has the requisite experience and capabilities and is suitable to be appointed as an ID of the Company.</p> <p><u>Sponsor's Assessment</u></p> <p>The Sponsor reviewed the CV and declaration form of Mr Tan. An independent check comprising of public searches and third-party checks were also conducted on Mr Tan and reviewed against the CV and declaration form provided. Further, an interview was conducted by the Sponsor with Mr Tan to assess his suitability as Libra's ID.</p> <p>Based on the due diligence conducted by the Sponsor, the Sponsor highlighted its findings to the Board and NC for their review. The Board and NC views can be found in the queries above.</p> <p>The Sponsor also noted that while Mr Tan was the director of Qingmei Holdings Ltd, Li Heng Chemical Fibre Technologies Ltd and Dukang Distillers Holdings Limited, there was no regulatory actions taken against Mr Tan or the companies.</p> <p>Therefore, after conducting the checks above, there is no reason for the Sponsor to opine that his past directorships would deem Mr Tan unsuitable to be an ID of the Company.</p>
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By Order of the Board
LIBRA GROUP LIMITED

Christine Liu Yang
Chief Executive Officer and Executive Director

31 January 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the

Listing Manual Section B: Rules of Catalist of 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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