

**ENTRY INTO MASTER RESTRUCTURING AGREEMENT AND CONVERTIBLE LOAN  
AGREEMENT IN RELATION TO THE PROPOSED INVESTMENT BY  
TIANCI INTERNATIONAL PTE LTD**

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**1. INTRODUCTION**

- 1.1. The board of directors ("**Directors**") of Libra Group Limited ("**Company**") refers to the announcement by the Company on 8 September 2021 in relation to the proposed investment by Tianci International Pte Ltd in connection with the financial restructuring of the Company, to be pursued by way of a scheme of arrangement ("**Scheme**") under section 210 of the Companies Act (Cap. 50) ("**Companies Act**"). The Company wishes to announce that the Company has on 25 October 2021 entered into a master restructuring agreement ("**Master Restructuring Agreement**") and a convertible loan agreement ("**Convertible Loan Agreement**") with Tianci International Pte. Ltd. ("**Investor**", and together with the Company, "**Parties**").
- 1.2. The Master Restructuring Agreement sets out the terms for the proposed investment by the Investor in the Company ("**Investment**") of an aggregate sum of S\$2,000,000 ("**Subscription Consideration**") by way of the subscription of new ordinary shares in the capital of the Company ("**Investment Shares**") at an issue price to be determined between the Parties (the "**Shares Issue Price**"). The Circular (as defined below) which will be despatched to Shareholders in due course will set out further information in relation to the Shares Issue Price. The Master Restructuring Agreement also sets out the principal terms of the Scheme and the temporary financing through the Convertible Loan Agreement ("**Temporary Financing**") agreed between the Parties.
- 1.3. The Master Restructuring Agreement, if successfully implemented, seeks to provide recovery to the Company's creditors ("**Creditors**") and to discharge and settle the Company's restructuring expenses. As part of implementing the Master Restructuring Agreement, the Company will submit an application to the SGX-ST for the resumption of trading of the Company's Shares. The Company will make further announcement(s) to update Shareholders as and when there are material updates on the application to the SGX-ST for the resumption of trading of the Company's Shares.
- 1.4. Information on the Investor has been disclosed in the Company's announcement dated 8 September 2021 and the Company's responses to queries raised the SGX-ST as announced on 13 September 2021.

**2. SALIENT TERMS OF THE MASTER RESTRUCTURING AGREEMENT**

**2.1. The Investment**

The number of Investment Shares to be allotted and issued to the Investor, or a party nominated by the Investor, will be determined and agreed by the Parties at a later stage after the Parties have determined the Shares Issue Price. The Investment Shares, when allotted and issued, is envisaged to be not less than 70% of the enlarged issue share capital of the Company and will result in a transfer of controlling interest in the Company to the Investor. The Circular (as defined below) which will be despatched to Shareholders in due course will set out further information in relation to these figures.

The Investment Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up and free from encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares of the Company, save that they will not rank for

any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Investment Shares.

The Investment will be undertaken in connection with the proposed issuance and allotment of Advisor Shares, Employee Shares and Incentive Shares, further details of which are set out in paragraph 3.1 of this announcement (the Investment Shares, Advisor Shares, Employee Shares and Incentive Shares shall collectively be referred to as the “**New Shares**”).

For illustrative purposes, assuming the New Shares are issued and allotted pursuant to the Master Restructuring Agreement, the resulting share capital of the Company will be held as follows:

<b>Shareholder</b>	<b>Percentage Shareholding in the Company</b>
Investor	70%
Advisors (as defined below)	12%
Employees (as defined below)	5%
Scheme Creditors (as defined below)	5%
Existing Shareholders	8%

Pursuant to the Master Restructuring Agreement (i) the number of Shares issued to the Investor may amount to more than 70% of the enlarged issue share capital of the Company; and (ii) the number of Shares issued to the Advisors, Employees and Scheme Creditors may be less than figures set out in the table above.

There is no certainty or assurance as at the date of this announcement that the New Shares will be issued and allotted pursuant to the indicative table above. The Circular (as defined below) which will be despatched to Shareholders in due course will set out further information in relation to the number of New Shares that will be issued and allotted pursuant to the Master Restructuring Agreement.

## 2.2. **The Convertible Loan**

The Temporary Financing is provided to the Company pursuant to the Master Restructuring Agreement, and is in accordance with and subject to the terms and conditions therein and in the Convertible Loan Agreement (“**Convertible Loan**”). The aggregate principal value of the Convertible Loan is S\$300,000, which may be increased subject to agreement between the Investor and the Company, and will be convertible to new ordinary shares in the capital of the Company at the Shares Issue Price (“**Conversion Shares**”).

### *Salient terms of the Convertible Loan*

- (A) **Principal Sum of the Convertible Loan:** Up to S\$300,000.
- (B) **Interest:** The Convertible Loan is interest-free.
- (C) **Use of Proceeds from the Convertible Loan:** The proceeds from the Convertible Loan shall be used by the Company for the settlement of any and all costs and expenses that are incurred in connection with the implementation of the Investment.
- (D) **Maturity Date:** The Company shall repay the amount owing under the Convertible Loan by the completion date of the Investment (“**Completion Date**”) through the Subscription Consideration in the event the Investment and the Scheme are successfully implemented in accordance with the terms and conditions of the Master Restructuring Agreement. If the Company does not have sufficient funds remaining from the Subscription Consideration to repay the Convertible Loan in full, the remaining outstanding amount (“**Outstanding Amount**”) shall, subject to the approval of Shareholders to be obtained at the EGM, be repaid by the allotment and issuance of Conversion Shares in accordance with the terms and conditions of the Convertible Loan Agreement.

- (E) **Conversion Price:** The issue price of each Conversion Share to be issued upon conversion of the Convertible Loan shall be the Shares Issue Price. The Circular (as defined below) which will be despatched to Shareholders in due course will set out further information in relation to the Shares Issue Price.
- (F) **Conversion:** Subject to the provisions of the Convertible Loan Agreement, the Companies Act (Cap. 50), the Catalist Rules and any rules, regulations, practice directions or guidelines of the CDP, the Investor may, in its sole and absolute discretion, convert the Convertible Loan into Conversion Shares at the Shares Issue Price on the at any time, but in any event by the the date falling 36 months after the listing and quotation of the New Shares on the SGX-ST or such other date as may be agreed between the Parties, provided always that such date is prior to the date falling 60 months from the date of the Convertible Loan Agreement, whereupon, the Company shall capitalise the Outstanding Amount and allot and issue the Conversion Shares to the Investor or its nominee.
- (G) **Status of Conversion Shares:** The Conversion Shares, when allotted and issued, are duly authorised, validly issued and credited as fully paid-up and free from encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares of the Company, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Conversion Shares.
- (H) **Waiver of Convertible Loan:** The Company shall not be required to repay the drawn down portion of the Convertible Loan if any of the following occurs: (a) the Investment is not completed; (b) the Master Restructuring Agreement is terminated pursuant to a terminating event set out in the Master Restructuring Agreement; or (c) the Scheme is not successfully implemented. The Investor agrees that in such circumstances, the Investor will irrevocably waive, release and discharge the Company's obligations under the Convertible Loan (including the obligation to repay the Convertible Loan), and such obligations shall be deemed irrevocably waived, released and discharged.
- (I) **Event of Default:** Pursuant to the Convertible Loan Agreement, the Investor may cancel the Convertible Loan and/or declare all or part of any amounts outstanding under the Convertible Loan Agreement be immediately due and payable if: (a) the Company does not comply with any provision of the Convertible Loan Agreement, save that no event of default will occur if the failure to comply is capable of remedy and is remedied within 10 business days of the Investor giving notice to the Company; (b) any representation or warranty made by the Company in or pursuant to the Convertible Loan Agreement is or proves to have been incorrect in any material respect or becomes incorrect in any material respect at any time with reference to the facts and circumstances then subsisting; or (c) it is or becomes unlawful for the Company to perform any of its obligations under the Convertible Loan Agreement.

### 2.3. The Scheme

The Company shall propose the Scheme on the following terms:

- (A) an amount of S\$1,000,000 to be paid to any person, other than any person who has or who purports to have a claim against the Company that is expressly excluded from the Scheme, who has or who purports to have a claim against the Company arising out of or having its origin in any matter occurring on or prior to 31 July 2021 ("**Cut-Off Date**") or arising out of any transaction, act or omission of the Company or any person on or before such date whether the claim be present, future or contingent or whether liquidated or sounding only in damages and whether in contract or in tort howsoever arising ("**Scheme Creditor**"); and
- (B) the total amount for which the Company is adjudicated to be liable or indebted to any Scheme Creditor under the Scheme whose debts are accorded priority to all other

unsecured debts of the Company under section 203(1)(d) to 203(1)(h) of the IRDA (“**Preferential Creditors**”) shall be paid in full, subject to the maximum amount as prescribed under section 203(2) of the IRDA read with order 2 of the Insolvency, Restructuring and Dissolution (Maximum Amount Payable in Priority) Order 2020.

Details of the Scheme to be proposed by the Company to its Scheme Creditors will be announced upon its finalisation.

### 3. FURTHER INFORMATION IN RELATION TO THE MASTER RESTRUCTURING AGREEMENT

3.1. Advisor Shares, Employee Shares and Incentive Shares: Under the terms of the Master Restructuring Agreement, on the Completion Date, the Company may, subject to the satisfaction of the Conditions Precedent (as defined below at paragraph 3.3 of this announcement), issue (in addition to the Investor Shares) new ordinary shares in the capital of the Company to:

- (A) (i) KordaMentha Pte. Ltd. and/or such other financial advisors of the Company; (ii) Drew & Napier LLC, as legal advisor to the Company; (iii) KordaMentha Pte. Ltd., as manager of the Proposed Scheme; and (iv) RHT Capital Pte. Ltd., as the Company’s sponsors (together, “**Advisors**”), as payment of such amount of the professional fees to be agreed between the Advisors and the Company, provided that the aggregate number of such new ordinary shares issued to the Advisors shall be not more than 12% of the enlarged issued share capital of the Company (“**Advisor Shares**”);
- (B) any person who were employees and staff of the Company after the Cut-Off Date (“**Employees**”), as payment of such amount of debt due to them, provided that the aggregate number of such new ordinary shares issued to the Employees shall be not more than 5% of the enlarged share capital of the Company (“**Employee Shares**”); and
- (C) Scheme Creditors who have undertaken to support the Scheme pursuant to the terms and conditions of the Scheme and the Master Restructuring Agreement, provided the aggregate number of such new ordinary shares shall be not more than 5% of the enlarged issued share capital of the Company (“**Incentive Shares**”).

The Advisor Shares, Employee Shares and Incentive Shares when allotted and issued, are duly authorised, validly issued and credited as fully paid-up and free from encumbrances, listed and tradable on the SGX-ST and rank *pari passu* with all other existing Shares of the Company, save that they will not rank for any dividends, rights, allotments, distributions or entitlements, the record date for which falls before the date of issue of such Advisor Shares, Employee Shares and Incentive Shares.

3.2. Escrow Arrangement: The Investor has confirmed that it has provided an amount of S\$400,000 by way of one or more cashier’s order(s) (“**Cashier’s Order**”) which is held in escrow with irrevocable instructions from the Investor to release the same to the Company on Completion. Subject to paragraph 3.2(A) and (B) below, the Cashier’s Order shall be released to the Company on Completion and the receipt by the Company of the proceeds of the Cashier’s Order shall be deemed as partial payment of the Subscription Consideration. The Parties have agreed that the Cashier’s Order shall:

- (A) subject to paragraph 3.2(B) below, be released and returned to the Investor in the event that the Master Restructuring Agreement is terminated pursuant to any of the events set out in paragraph 3.4 below (except pursuant to paragraph 3.4(C)(ii)); and
- (B) in the event that the Master Restructuring Agreement is terminated pursuant to paragraph 3.4(C)(ii) below, the Cashier’s Order shall be released to the Company and the proceeds of the Cashier’s Order received by the Company be applied or deemed to be applied towards satisfaction of the liability of the Investor under paragraph 3.4(C)(ii) and the Company shall have no further claim against the Investor to the extent of such proceeds of the Cashier’s Order received by the Company.

3.3. Conditions Precedent: Completion of the Investment is subject to various conditions precedent (collectively, "**Conditions Precedent**"), including but not limited to:

- (A) all regulatory approvals having been obtained, and not having been withdrawn or revoked (if applicable), including without limitation, the following:
  - a) the receipt of the listing and quotation notice from the SGX-ST pursuant to the Catalist Rules in relation to the listing and quotation of the New Shares and Conversion Shares on Catalist;
  - b) the approval-in-principle from the SGX-ST for the proposed resumption of the trading of the Company's Shares on Catalist; and
  - c) confirmation from the Securities Industry Council of Singapore ("**SIC**") that the Investor and parties acting in concert with the Investor will not be required to make a general offer for the Company pursuant to the Singapore Code on Takeovers and Mergers ("**Code**") as a result of the allotment and issue of the New Shares, and where such waiver is subject to any conditions, such conditions being reasonably acceptable to the Investor and the Company (as the case may be) ("**SIC Waiver**").
- (B) the approval by the Shareholders of the ordinary resolution to allot and issue the New Shares ("**New Shares Resolution**") and the ordinary resolution to allot and issue the Conversion Shares, and if required or imposed by SIC as a condition to the SIC Waiver in respect of the New Shares, the approval of the Shareholders who are considered independent for the purposes of the Investment and the Scheme ("**Independent Shareholders (Whitewash)**") of the ordinary resolution to waive their rights to receive a general offer from the Investor and/or parties acting in concert with the Investor pursuant to the Code as a result of the issuance and allotment of the New Shares ("**Whitewash Resolution**"), having been obtained at a general meeting of the Company ("**EGM**");
- (C) the approval of the Scheme by the Scheme Creditors at the court meetings in compliance with the requirements of section 210(3AB) of the Companies Act;
- (D) the sanction of the Scheme by the High Court of Singapore ("**Court**");
- (E) the grant of the order of the Court sanctioning the Scheme; and
- (F) the results of legal, financial and commercial due diligence investigations in respect of the Company being satisfactory to the Investor.

3.4. Termination Events: The Master Restructuring Agreement may be terminated at any time on or prior to the completion of the Investment:

- (A) by the mutual written consent of the Investor and the Company;
- (B) by either the Investor or the Company, if any court of competent jurisdiction or governmental authority has issued an injunction, order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting or preventing the consummation of the Investment, the Scheme (or the proposed transactions relating to the foregoing or any part thereof), and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
- (C) either (i) by the Investor, if the Company is in material breach of any provision of the Master Restructuring Agreement and has failed to cure such breach within 10 business days after receiving written notice of such breach (specifying the nature and circumstances of the breach) has been given to the Company by the Investor prior to the date of completion of the Investment; or (ii) by the Company, if the Investor is in

material breach of any provision of the Master Restructuring Agreement (other than a provision which is qualified by a materiality test, in which case any breach shall suffice) and has failed to cure such breach within 10 business days after receiving written notice of such breach (specifying the nature and circumstances of the breach) has been given to the Investor by the Company prior to the date of completion of the Investment, provided in all cases that the terminating party has given written notice to the other party of the breaches and its intention to terminate the Master Restructuring Agreement;

- (D) by either the Investor or the Company, if the Scheme is not approved (with or without amendment imposed by the Court) by the Court; or
- (E) by either the Investor or the Company, if any of the New Shares Resolution and the Whitewash Resolution (if required by SIC) are not approved (without amendment) by the requisite majorities of the Shareholders and Independent Shareholders (Whitewash) respectively.

The Master Restructuring Agreement will also cease and determine if any of the conditions precedent has not been satisfied (or, where applicable, has not been waived) by 30 June 2022 or such other date as the Investor or the Company may mutually agree in writing (“**Long Stop Date**”).

- 3.5. **Completion:** Completion of the Investment (“**Completion**”) shall take place on the date falling 5 business days after the date on which the Conditions Precedent have been fulfilled or waived or such other date as may be mutually agreed between the the Investor and the Company.
- 3.6. **Authority to issue New Shares and Conversion Shares:** The Company will be seeking specific Shareholders’ approval for the allotment and issue of the New Shares and Conversion Shares at an EGM to be convened pursuant to Rules 803, 805(1), 811(3) (if applicable) and 812(2) of the Catalist Rules. A circular to Shareholders setting out more information on the Investment and convening the EGM will be issued in due course (“**Circular**”).
- 3.7. **Disclosure of Interests:** Save for the proposed placement of a portion of the Employee Shares (such number of Shares to be determined and will be disclosed in the Circular) to Ms Christine Liu Yang (an executive director and the chief executive officer of the Company), to the knowledge of the Company, none of the Directors or controlling Shareholders have any direct or indirect interest in the proposed Investment, other than through their respective shareholding interests in the Company (if any).
- 3.8. **No Placement Agent:** There is no placement agent appointed for the Investment. The Investment will be undertaken by way of an exempted offer under Section 275 (accredited investors and certain other persons) of the Securities and Futures Act (Chapter 289 of Singapore). Accordingly, no prospectus or offer information statement will be issued by the Company in connection with the Investment.

#### 4. **INDICATIVE TIMELINE FOR THE IMPLEMENTATION OF THE MASTER RESTRUCTURING AGREEMENT AND APPLICATION TO THE SGX-ST**

The Company will make an application to the SGX-ST through its sponsor, RHT Capital Pte. Ltd., for (i) the listing and quotation of the New Shares and the Conversion Shares on Catalist; and (ii) the resumption of the trading of the Company’s Shares on Catalist.

Given the nature of the transaction, which is contingent on the approval of the SGX-ST, the Company is unable to provide firm timelines for the implementation of the Master Restructuring Agreement. That said, an indicative timeline of key events for the implementation of the Master Restructuring Agreement is as follows:

No.	Indicative Date	Description
1.	By mid-February 2022	<ul style="list-style-type: none"> <li>Company obtaining Court’s leave to convene the meeting(s) of Scheme</li> </ul>

		Creditors to approve the Scheme
2.	By end-February 2022	<ul style="list-style-type: none"> <li>• Despatch of the Explanatory Statement and Scheme Document, together with, among other things, the relevant notices of the meeting(s) of Scheme Creditors to approve the Scheme</li> </ul>
3.	By end-March 2022	<ul style="list-style-type: none"> <li>• Submission of resumption of trading proposal to the SGX-ST</li> </ul>
4.	By end-April 2022	<ul style="list-style-type: none"> <li>• Convening the meeting(s) of Scheme Creditors to approve the Scheme</li> <li>• Company obtaining all SGX-ST approval(s) for the allotment and issuance of the New Shares and Conversion Shares and the listing of such shares on the SGX and the resumption of trading of the Company's Shares</li> <li>• Investor obtaining the SIC Waiver</li> </ul>
5.	By mid-May 2022	<ul style="list-style-type: none"> <li>• Company obtaining approval from the SIC for parts in the Circular which refer to the SIC Waiver</li> </ul>
6.	By end-May 2022	<ul style="list-style-type: none"> <li>• Despatch of the Circular</li> <li>• Company obtaining Court sanction of the Scheme</li> </ul>
7.	By mid-June 2022	<ul style="list-style-type: none"> <li>• Company holding the EGM and obtaining Shareholders' approval for the New Shares Resolution, the ordinary resolution for the issue and allotment of the Conversion Shares and the Whitewash Resolution</li> </ul>
8.	By end-June 2022	<ul style="list-style-type: none"> <li>• Resumption of trading of the Company's Shares</li> <li>• Allotment and Issuance of the New Shares</li> <li>• Payment under the Scheme</li> </ul>

Please note that the above timeline is indicative only and remains subject to change depending on, among other things, whether and when the relevant approvals from the regulatory bodies are obtained.

## **5. RATIONALE AND USE OF PROCEEDS**

### **5.1. Rationale of Investment**

The Company is of the view that the Investment is beneficial to the Company as the proceeds from the Investment will be applied to the Scheme for the release and discharge of all obligations, liabilities or claims against the Company, which shall be deemed to be fully and finally waived, released, discharged and extinguished under the Scheme.

### **5.2. Use of Proceeds**

The Investment, if completed, will provide the Company with aggregate gross proceeds of S\$2,000,000. The proceeds from the Investment ("**Proceeds**") will be used for the settlement of debts and liabilities under the Scheme and the repayment of the Convertible Loan. As the amount of the debts and liabilities to be repaid under the Scheme and amount utilised under the Convertible Loan have not been determined, the Company is not able to set out the estimated proportions of the use of the Proceeds at this time. The Circular which will be despatched to Shareholders in due course will set out further information in relation to these figures.

## **6. FINANCIAL EFFECTS**

The number of New Shares and Conversion Shares to be allotted and issued by the Company is subject to, *inter alia*, the determination by the Company and the Investor of Shares Issue Price. Accordingly, the Company is unable, and it would not be meaningful, to calculate and illustrate the potential financial effects of the issuance and allotment of the New Shares and the Conversion Shares at this juncture. The Circular which will be despatched to Shareholders in due course will set out further information in relation to these figures.

## **7. CONFIRMATION BY THE DIRECTORS**

The Directors are of the opinion that, as of the date of this announcement, after taking into consideration:

- (A) the Company's present bank facilities, the working capital available to the Company is not sufficient to meet its present requirements, and the Investment is being undertaken for purposes set out in paragraph 5.1 above; and
- (B) the Company's present bank facilities, the Convertible Loan Agreement and the Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

## **8. INDEPENDENT FINANCIAL ADVISER**

If applicable, the Company will be appointing an independent financial adviser to advise the Shareholders on the Whitewash Resolution. The advice of the independent financial adviser will be set out in the Circular to be despatched to the Shareholders in due course.

## **9. EGM AND CIRCULAR**

The Company will convene the EGM to seek the approval of the Shareholders for the Investment and a Circular containing, *inter alia*, details thereof and enclosing the notice of EGM will be despatched to the Shareholders in due course.



## 10. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Master Restructuring Agreement and the Convertible Loan Agreement will be made available for inspection during normal business hours at the registered office of the Company at 144 Robinson Road, #19-01, Robinson Square, Singapore 068908, for a period of three months from the date of this announcement.

## 11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Investment, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

## 12. FURTHER ANNOUNCEMENTS

The Company will make further announcements, in compliance with the requirements of the Catalist Rules, as and when there are further developments on the matters contemplated by this announcement.

## 13. CAUTIONARY STATEMENT

**Shareholders are advised to exercise caution in trading their shares. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.**

By Order of the Board  
**LIBRA GROUP LIMITED**

Christine Liu Yang  
Chief Executive Officer and Executive Director

28 October 2021

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