

LIBRA

GROUP LIMITED

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

RESPONSES TO QUERIES RAISED BY THE SGX-ST

The Board of Directors (the “**Board**”) of Libra Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the queries received from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 6 January 2022 in relation to the Company’s announcement regarding the winding up order granted against Kin Xin dated 29 December 2021, the response to SGX-ST queries dated 2 November 2021 and the Company’s announcement regarding the entry into the Master Restructuring Agreement and a Convertible Loan Agreement with Tianci International Pte. Ltd. dated 28 October 2021 (“**Previous Announcements**”). Unless otherwise defined, all capitalized terms used herein shall have the same meanings as the Previous Announcement.

SGX Query 1:

The Moratoria has lapsed since 30 June 2021. Are there any updates on the Moratoria and SOA?

Company’s Response:

The Company has not obtained an extension for the Moratoria from the High Court. The Company is currently preparing a scheme of arrangement (“**Scheme**”) under section 210 of the Companies Act (Cap. 50) (“**Companies Act**”), with a view to obtain the Court’s leave to convene the Scheme meeting(s) by mid-February 2022 and propose the Scheme to its creditors under the Scheme (“**Scheme Creditors**”), in accordance with the timeline set out at paragraph 4 of the Company’s announcement dated 28 October 2021. To date, the Company has not proposed the Scheme to its Scheme Creditors yet and will circulate the Scheme document in due course. If there is a need for the Company to apply for a Moratoria to facilitate the Scheme, the Company will consider such application at the appropriate juncture.

SGX Query 2:

What is the status on the S\$2.0 million proposed investment by Tianci International Pte. Ltd.? Any progress?

Company’s Response:

The proposed investment by Tianci International Pte. Ltd (“**Investment**”) is to fund the Company’s debt restructuring to compromise and repay the Company’s debts and the completion of the Investment is conditional upon, inter alia, the approval of the Scheme by the requisite majority of the Company’s creditors and by the Court. As stated above at query 1, the Company is currently preparing for the Scheme to be proposed to the Company’s Scheme Creditors.

SGX Query 3:

Please provide the latest total debt amount owed by Libra.

Company’s Response:

Based on the Company’s records, as at 31 May 2021, the total debt amount owed by the Company was approximately S\$62.5 million.

SGX Query 4:

It was previously announced that only S\$1.0 million of the S\$2.0 million Investment will be paid to the Scheme Creditors. Is this S\$1.0 million sufficient to settle all the debts owed by Libra? Otherwise, what are the Company's plans to settle the debts?

Company's Response:

The Company proposes to compromise, discharge and settle all unsecured debts in return for the payment of S\$1.0 million under the Scheme. The remaining S\$1.0 million will be used to discharge and settle (i) the debts owed to the Company's preferential creditors, (ii) the restructuring expenses excluded from the Scheme and (iii) temporary financing obtained from the Tianci International Pte. Ltd. In the event the Scheme is approved by the requisite majority of the Company's Scheme Creditors and by the Court, the Investment will be sufficient to settle all the debts owed by the Company.

SGX Query 5:

We have yet to receive any extension application or update from the Company to comply with Catalist Rule 1304. What are the Company's plans?

Company's Response:

The Company has prepared a draft application for an extension of time to submit the resumption of trading proposal. Pending the concurrence of the Sponsor, the application will be submitted to the SGX-ST.

SGX Query 6:

Why did the Company only announce the liquidation of Kin Xin on 29 Dec 2021 when it was granted a winding-up order by the Singapore Court on 10 Dec 2021?

Company's Response:

The Company did not receive the winding up papers at its registered address. The winding up papers were sent by post to the Company's Chief Executive Officer ("CEO"), and were only retrieved from the mailbox on 29 December 2021.

SGX Query 7:

With the liquidation of Kin Xin (being the only operating subsidiary left), is Libra considered a "cash company" pursuant to Catalist Rule 1017? Please provide the Board's and Sponsor's assessment and justifications.

Company's Response:

As announced by the Company on 26 November 2021, the Company has incorporated a new wholly-owned subsidiary, C & E Pioneer Trading Pte. Ltd. ("CEPT"), on 24 November 2021 to further the Group's current principal line of business as a service provider in the Singapore construction industry. CEPT's principal activities are the business of supplying building materials and supplies. CEPT has entered into agreements to supply building materials and supplies ("Materials") to various customers on quantities and prices of the Materials to be agreed.

Based on the above, the Company is of the view that it is a not Cash Company pursuant to Rule 1017.

The Sponsor is assessing the applicability of Catalist Rule 1017 and will update the SGX RegCo on its views in due course upon the receipt of further supporting information from the Company, including but not limited to, management accounts of the new subsidiary.

SGX Query 8:

What other operations does the Company have currently? Currently, the Company only has 2 directors left. Are there any staff left in the Company, especially its finance department? Who is running the Company currently?

Company's Response:

The Company is an investment holding company. As stated above at query 7, the Company has incorporated CEPT, which is in the business of supplying building materials and supplies in the Singapore construction industry. CEPT's director is the Company's CEO. To-date, apart from the 2 directors of the Company, the Company has 2 current employees working on a part-time basis in its finance department to prepare and collate the financial information of the Group and to assist with the Company's debt restructuring.

SGX Query 9:

What is the status of Libra's scheme of arrangement ('SOA')? Is there an expiry date for the SOA? Please provide updates on the Company's progress in its talks with its Scheme Creditors.

Company's Response:

As stated above at queries 1 and 2, the Company is currently preparing the Scheme to be proposed to the Company's Scheme Creditors, with a view to obtain the Court's leave to convene the Scheme meeting(s) by mid-February 2022, in accordance with the timeline set out at paragraph 4 of the Company's announcement dated 28 October 2021. The Company has not proposed the Scheme to its Scheme Creditors yet and will circulate the Scheme document in due course.

SGX Query 10:

Please provide an update on the Company's breaches of Catalist Rules. What are the Company's plans to rectify all the outstanding listing rules?

Company's Response:

The Company has provided a letter of undertaking to its Sponsor and the SGX-ST ("**Letter of Undertaking**") that should the Investment materialise, the Company will work towards rectifying all past/ongoing breaches. Based on the Letter of Undertaking, the Company is not in compliance with Rules 705(3)(b)(ii), 705(1), 707(1), 711A, 704(7) and 1304 of the Catalist Rules.

In relation to Rule 704(7), following the completion of the Investment and successful implementation of the Scheme, the Company will be seeking to appoint new independent directors to satisfy the minimum number of directors to be appointed to the audit committee.

In relation to Rule 1304, as stated above at query 5, the Company has prepared an application for an extension of time to submit the resumption of trading proposal, which will be submitted to the SGX-ST pending the concurrence of the Sponsor.

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 the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers 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

14 January 2022

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 Listing Manual Section B: Rules of Catalist 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.

The contact person for the Sponsor is Mr Lay Shi Wei, Registered Professional, RHT Capital Pte. Ltd. at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.