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 9 February 2022 in relation to the Company's announcement dated 29 December 2021 regarding the winding up order granted against Kin Xin Engineering Pte Ltd ("**Kin Xin**") on 10 December 2021 and the Company's announcement dated 28 October 2021 regarding the entry into the Master Restructuring Agreement and a Convertible Loan Agreement ("**Previous Announcements**"). Unless otherwise defined, all capitalized terms used herein shall have the same meanings as the Previous Announcements.

SGX Query 1:

What is the total debt owed by the Company to all the creditors currently? Out of this amount, how much is due to the Scheme Creditors?

Company's Response:

Based on the Company's records, as at 31 December 2021, the total debt amount owed by the Company was approximately S$58.7 million. In response to SGX's queries on 13 September 2021, it was announced that as at 31 May 2021, the debts owed by the Company and Kin Xin as at 31 May 2021 were approximately S$62.5 million and S$47.0 million respectively. The difference in the total debt owed by the Company as at 31 May 2021 and 31 December 2021 is attributed to the write-off of inter-company payables which were reconciled in the Group's financials subsequent to 13 September 2021.

The total debt due to Scheme Creditors, which comprise unsecured creditors and Preferential Creditors, amount to S$36.9 million.

SGX Query 2:

In the Company's announcement on 14 January 2022, it is stated that the Company is an investment holding company. And the Company is of the view that the Company is not a Cash Company under Catalist Rule 1017, on the basis that it has incorporated CEPT to carry on the business of supplying building materials and supplies.

(a) Has CEPT started generating revenue for the Group? If so, please provide numbers and order book.
(b) Otherwise, please provide the Board's assessment ad basis why the Company should not be deemed as a Cash Company, especially with no recurring operating revenue and the winding-up of the Company's only operating subsidiary (Kin Xin).

Company's Response:

As announced by the Company on 14 January 2022, 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. CEPT is awaiting the receipt of purchase orders from the customers with detailed pricing and quantities of the Materials based on the progress of the customers' construction projects. In the meanwhile, CEPT is in the process of opening its bank accounts to commence operations. CEPT is also sourcing for other contracts to supply Materials for other construction projects.

SGX Query 3:

What is the status of the Master Restructuring Agreement (as announced on 28 Oct 2021)? As stated in the announcement, the Company would have obtained the Court's leave to convene the Scheme Creditors meeting and despatch the Scheme Doc by mid-Feb 2022.

- **(a) Please provide updates on the timeline and updates on whether the restructuring is proceeding as planned, taking into account the long-stop date of the Master Restructuring Agreement is 30 June 2022.**
- **(b) Has the Company started its discussions with its Scheme Creditors to accept the proposed S$1.0 million settlement? Otherwise, how is the Company confident that the S$1.0 million is sufficient to settle all the outstanding debts of S$109.9 million (As at 30 Sept 2021)?**
- **(c) Please also clarify what will happen after 30 June 2022 in the event the Company had not obtained approval from the Court and Scheme Creditors. What is the Company's back-up plan to solve its going concern issue?**

Company's Response:

The Company has prepared a draft Scheme Documents and is currently in the process of discussing the key terms of the Scheme with the Company's major creditors.

In the event the Company is unable to obtain approval of the Scheme from the Court and the Scheme Creditors, without the proceeds from the Investment to release and discharge the Company of all its obligations, liabilities and claims, it would be difficult for the Company to continue as a going concern. In that event, the Company will engage with the Investor and/or other potential investors on the possibility to obtain an improvement to the Investment and terms of the Scheme.

SGX Query 4:

Please clarify the total amount received by the Company from the Investor so far? Is it S$400K (held in escrow) or S$700K (which includes S$300K of Temporary Financing)?

Company's Response:

The Company's financial advisor received a Cashier's Order of S$400,000 held on escrow on behalf of the Company on 13 September 2021. The Company has drawn down on the Convertible loan in the amount of S$136,698.77 to-date.

SGX Query 5:

Please provide updates on the use of proceeds from the S$300K Convertible Loan / Temporary Financing.

Company's Response:

The amount drawn down on the Convertible Loan to-date has been utilised for the payment of costs and expenses incurred in connection with the implementation of the Investment, including but not limited to administration and management costs and professional costs incurred pending the completion of the restructuring of the Company.

SGX Query 6:

Please clarify if the Company is required to repay the S$300K to Tianci even if the Scheme is not completed?

<u>Company's Response:</u>

As stated at paragraph 2.2(H) of the Company's announcement dated 28 October 2021, 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.

<u>SGX Query 7:</u>

The S$2.0 million Investment is conditional upon the approval of Scheme Creditors. In the event the Scheme is approved, the Company is required to repay the S$300K to Tianci. Does this mean that the S$300K is part of the S$2.0 million Investment?

<u>Company's Response:</u>

The Convertible Loan of S$300,000 is separate from and in addition to the Investment of S$2 million.

<u>SGX Query 8:</u>

Please clarify with the winding-up of Kin Xin, will the debts of Kin Xin be taken off the Group's books? If so, what would be the debts of the Group?

<u>Company's Response:</u>

With the winding up of Kin Xin, the debts of Kin Xin have been de-consolidated from the Group's financials.

<u>SGX Query 9:</u>

When was the winding-up of Kin Xin completed?

<u>Company's Response:</u>

The winding up of Kin Xin commenced upon the granting of winding up order on 10 December 2021. The timing of the completion of its winding up will depend on the progress of the liquidation carried out by the liquidator.

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

16 February 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 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.