LIBRA
GROUP LIMITED

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

UPDATES ON DELISTING NOTIFICATION AND APPEAL AGAINST DELISTING

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1. The Board of Directors (the "**Board**") of Libra Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") wishes to refer to the following:

   1.1 the Company's SGX-Net announcement on 21 February 2022 in relation to the notification of delisting from the Official List of the SGX-ST ("**Delisting Notification**") issued by the SGX RegCo to the Company;

   1.2 the Company's SGX-Net announcement on 30 March 2022 in relation to an update on the Delisting Notification, the Exit Offer and the Company's efforts towards filing an appeal against the Delisting Notification; and

   1.3 the Company's SGX-Net announcement on 6 April 2022 in relation to the notification of effective date of delisting from SGX-ST on 4 May 2022 and to update the Company's submission of appeal against the Delisting Notification ("**Appeal**") and the previous investment with Tianci International Pte Ltd

   (collectively, the "**Previous Announcements**").

   Unless otherwise defined, all capitalized terms used herein shall have the same meanings as the Previous Announcements.

2. The Board wishes to update on the status of the Appeal, the Company's exchanges with the Sponsor and the Sponsor's review of the Appeal.

Submission of the Appeal Letter on 6 April 2022 to SGX RegCo via the Sponsor

3. On 23 March 2022 and 24 March 2022, the Company submitted preliminary basis for the Company's plan to submit the Appeal on 1 April 2022. On 28 March 2022, the SGX RegCo informed the Company that it had considered the preliminary basis for the Company's plan to submit the Appeal and an application for extension of time to announce its plans for the exit offer. It had informed the Company at that time that there are no extenuating reasons for SGX RegCo to grant the applications.

4. On 6 April 2022, the Company submitted a letter via the Sponsor to SGX RegCo to provide its full grounds of the Appeal ("**Appeal Letter**").The Company wishes to highlight to the SGX RegCo that since 28 March 2022, new extenuating circumstances have arisen and should be considered by the SGX RegCo for the purpose of the Appeal. These new circumstances are described in further details at paragraphs 6.1, 6.3.2, 6.3.3, and 6.3.4 below. In summary, they are:

   4.1 procurement of new investment agreements by a new investor, who has also agreed to provide a working capital loan of S$200,000 to the Company's operating subsidiary, CEPT;

4.2 execution of material supply contracts with customers for an aggregate value of at least $3.5 million, with contracts due to commence in April, May and June 2022; and

4.3 cashflow projections provided by the Company's financial advisors indicating that the Group is expected to have a viable business for the next 12 months.

Grounds for the Appeal

5. In the Appeal Letter, the Company provided an update on certain events to explain the delay in filing the Appeal:

5.1 Correspondences between the Company and the Sponsor: Details of the relevant correspondences between 23 and 29 March 2022 are set out in the Company's announcement released on the SGX-Net on 30 March 2022. In summary, as SGX-ST had directed the Company to liaise directly with the Sponsor to seek the Sponsor's opinion, the Company had provided some preliminary basis for its appeal, to which the Sponsor came to the opinion that it was not supportive of the Company and its plans._The Sponsor's reasons were that it had indicated to the Company in early December 2021 that it was not supportive of the Company and its plans, the Company had not demonstrated any progress on new business opportunities front and that there had been some delay on the part of the Company in responding to the Sponsor and SGX-ST. The Sponsor had also concluded that it was of the view that the Company had no current operating business to generate recurring revenue, following the winding up of Kin Xin and the lack of revenues generated by CEPT.

The Company disagreed with the Sponsor's opinion, and to that end, the Company sought to demonstrate in the Appeal Letter that there is justified basis for the Appeal, based on the progress made by the Group in the past 5 months since the entry into the Master Restructuring Agreement with Tianci International Pte Ltd ("**Investor**"). The Company also highlighted to SGX RegCo that the Sponsor had indicated that it was not supportive of the Company and its plans less than 1.5 months after the entry into the Master Restructuring Agreement with the Investor, and that prior to this there was no indication from the Sponsor that it was not supportive of the Company or its plans. The Company also pointed out to SGX RegCo that the Sponsor had partook in preliminary discussions with the Company, its advisors and the Investor on the broad framework of the restructuring and the Investment prior to entry into the Master Restructuring Agreement in August 2021.

5.2 Developments between the Company and the previous investor: As the Company had announced on SGX-Net on 30 March 2022, the Investor had alleged that the Company was in breach of the Master Restructuring Agreement entered into with the Investor. While the Company had previously informed the Sponsor and the SGX RegCo that it will submit the Appeal by 1 April 2022, on 1 April 2022, the Investor gave notice to the Company to rectify the alleged breaches, failing which the Investor shall terminate the Master Restructuring Agreement. As a result, submission of the Appeal was further delayed. The Company and the Investor were able to come to a resolution to terminate the Master Restructuring Agreement by way of mutual consent in accordance with the terms of the Master Restructuring Agreement. Accordingly, on 5 April 2022, the Master Restructuring Agreement entered into between the Company and the Investor was terminated.

5.3 Emergence of a new potential investor: Through the Company's efforts, the Company managed to procure the agreement of new potential investor ("**New Investor**") to enter into a new Master Restructuring Agreement with the Company. The key terms of the new Master Restructuring Agreement remained the same, allowing the Company to continue the proposed Investment and preparation for the Scheme as usual and without any disruption. The New Investor has also committed to provide a Convertible Loan of S$300,000 to the Company, a working capital loan of S$200,000 to the Company's subsidiary, CEPT, and a Cashier's Order of S$400,000 as an indication of its commitment to the proposed Investment.

6. The Company's full grounds for the Appeal set out in the Appeal Letter are summarised below:

6.1 Progress of the previous Investment: The Company re-stated the goal of the Investment and how the completion of the Investment will resolve the outstanding debts owed to the Company's creditors and that the proceeds of the Investment will be utilised to fund the Scheme to compromise the debts owing to the Company's Scheme Creditors. The Company re-stated that as previously mentioned in its past announcements on the SGX-Net, the Company is unable to provide a firm timeline for the implementation of the Master Restructuring Agreement given the nature of the transaction, and that the Company had previously clarified in its response to the SGX-ST's queries received on 29 October 2021 via the Company's announcement dated 2 November 2021 that the Company's application to resume trading of its shares will be premised on the approval of the Scheme and the potential new business that will be carried out by CEPT. The Company highlighted to SGX RegCo that both the Investor and the New Investor had and has undertaken to introduce business opportunities to satisfy the requirements for the proposed resumption of trading. The Company also pointed out to SGX RegCo that the New Investor has agreed to continue the Investment on the same key terms, including the undertaking to introduce new business opportunities to satisfy the requirements for the proposed resumption of trading. The Company also provided an update on the progress of the previous Investment, in particular, the amount of Convertible Loan that was drawn down as at 6 April 2022 for the purpose of implementing the Investment. The Company also highlighted to SGX RegCo that the New Investor had agreed to provide the Company with a new Convertible Loan Agreement to allow the Company to continue the Investment and preparation for the Scheme without any disruption.

6.2 Preparation for the Scheme: The Company reiterated that it was in discussions on the terms of the Scheme with its major creditors and had obtained their support for the Scheme. The Company highlighted to SGX RegCo that as the Scheme Documents are in the final stages of drafting and review, the Company will soon be in a position to move definitely on other outstanding actions, including applying to Court for leave to convene the meeting of the Scheme Creditors and despatching the finalised Scheme Document with the notices of meeting of Scheme Creditors. The Company pointed out to SGX RegCo that as the New Investor intends to step into the shoes of the Investor and the key terms of the Investment remains the same, the Company will be able to proceed with the same draft Scheme Document without additional follow up discussions with its major creditors.

6.3 The Company's efforts in obtaining businesses and generating revenue: The Company highlighted to the SGX RegCo that since the entry into the Master Restructuring Agreement between the Company and the Investor on 25 October 2021, the Company has done the following to demonstrate progress in obtaining business opportunities to support the resumption of trading:

6.3.1 The Company pointed out to the SGX RegCo that it had submitted to the Sponsor an application for extension of time to submit the trading resumption proposal ("**TRP EOT Application**") within approximately 1.5 months after its entry into the Master Restructuring Agreement. The Company highlighted to SGX RegCo that at all material times and as evidenced by the specific obligation of the Investor under the Master Restructuring Agreement, the introduction of new business opportunities by the Investor was envisaged to be undertaken concurrently and in conjunction with the debt restructuring and completion of the Investment. The Company pointed out to the SGX RegCo that the Sponsor did not review the TRP EOT Application and took the view that the application would be more appropriate to be made through a new Continuing Sponsor.

6.3.2 The Company highlighted to the SGX RegCo that it incorporated CEPT, which entered into several Material Supply Contracts with an aggregate value of at least $3.5 million. The Company pointed out to SGX RegCo that CEPT had entered into a Material Supply Contract on 17 February 2022 which sets out in full details the description of building supplies, quantities, unit prices and total amount of Materials to be purchased, amounting to approximately $1.5 million that is due to commence on 1 April 2022. The Company also pointed out to SGX RegCo that CEPT had entered into further Material Supply Contracts on 25 March 2022 and 27 March 2022 that were introduced by the New Investor, with contract value amounting to approximately $0.8 million and $1.25 million respectively that are due to commence on 1 May 2022 and 1 June 2022. The Company highlighted to SGX RegCo that the New Investor, the Company and CEPT will continue to source other business opportunities in the Singapore construction industry to expand the Group's business to satisfy the requirements for the proposed trading resumption. On 14 April 2022, the Company also updated the Sponsor that it received a purchase order on 11 April 2022.

6.3.3 The Company highlighted to the SGX RegCo that the New Investor has agreed to provide a working capital loan of S$200,000 to CEPT, which will be essential for CEPT to run its operations.

6.3.4 The Company provided the SGX RegCo with cashflow projections and profit forecast prepared by the Company's financial advisors premised on the Material Supply Contracts that CEPT is reasonably expected to obtain within the next 12 months. The financial projections and forecasts demonstrate that the Group is expected to have a viable business for the next 12 months.

~~6.4~~ Non-compliance with the Catalist Rules: The Company reiterated to SGX RegCo that the Company is aware that it has been in breach of various Catalist Rules, and that it had communicated its position to the Sponsor and the Previous Investor previously that the Company expects to be in a position to rectify the breaches upon the completion of the proposed debt restructuring exercise and the completion of the Investment. In particular, the Company pointed out to the SGX RegCo that it had sought to rectify its breach of Catalist Rule 1304 by submitting the TRP EOT Application to the Sponsor for its review but the Sponsor did not review the TRP EOT Application and subsequently issued a notice of termination of its appointment as Continuing Sponsor on 7 March 2022, thereby putting a halt to the Company's application to submit an extension of time to submit the resumption of trading proposal. The Company highlighted to the SGX RegCo that it will work with the new continuing sponsor to submit the extension application and the application for resumption of trading proposal.

6.5 Prejudice to the Company's shareholders: The Company highlighted to the SGX RegCo that the Company is not in a position to provide a reasonable exit offer given that it is in the midst of implementing the Master Restructuring Agreement and its debt restructuring. The Company also highlighted to the SGX RegCo that should the Investment not materialise, it is likely that the Company may have to resort to a voluntary creditors' liquidation, conditional upon the approval of the shareholders in an extraordinary general meeting. The Company pointed out to SGX RegCo that in a liquidation scenario, the Company's stakeholders will likely receive little or no returns, as compared to a scenario whereby the Company is able to continue pursuing the Investment. In the latter scenario, there is greater certainty of providing higher returns to the Company's stakeholders given the realisation of the Company's listed value and the proposed investment in cash and equity from the Potential Investor.

Sponsor's review of the Appeal

7. On 6 April 2022, the Sponsor responded with some preliminary comments and queries in relation to the Appeal. On 14 April 2022, the Company responded to the Sponsor's queries and clarified certain issues relating to the Company's due diligence checks on the New Investor, the Company's current employees, and the financial forecast prepared by the Company's financial advisor. On 22 April 2022, the Company arranged a meeting for the Sponsor to meet the New Investor ("**22 April Meeting**"), for the purpose of understanding the New Investor's plans with the Company and the proposed Investment.

8. On 24 April 2022, the Sponsor provided the outcome of its review of the Appeal and came to the conclusion that there are no grounds and extenuating reasons for the Appeal. The reasons for the Sponsor's conclusion are summarised below:

    8.1 <u>New Investor</u>: Based on the Sponsor's preliminary due diligence and the 22 April Meeting, the Sponsor is of the view that there are potential issues of conflict of interests because the New Investor shares the same registered office as one of the Company's customers to one of the Material Supply Contracts, and the website of the New Investor states that the same customer is a "parent company" of the New Investor. The Sponsor is of the view that independent due diligence checks should be carried out by a new continuing sponsor of the Company to verify the potential issues of conflict of interests and to verify the financial strength of the New Investor.

    8.2 <u>The Company's efforts in obtaining businesses and generating revenue</u>: The Sponsor takes the view that it is questionable whether the Material Supply Contracts entered into by CEPT are bona fide transactions on the basis that should the proposed Investment by the Potential Investor not materialise, those contracts would not be continued. Additionally, the Sponsor states that the Group continues to have no revenue generated, CEPT has no bank account to conduct business, and sums continue to be owed to the Company's employees.

    8.3 <u>Termination of the previous Investment</u>: Given that the previous Investment was terminated on 5 April 2022 and that the Sponsor is not aware of any new investment agreements entered into or announced by the Company, there is no rescue deal as basis for supporting the Appeal.

Company's position on the Sponsor's review of the Appeal

9. With respect, the Company disagrees with the Sponsor's view that there are no grounds or extenuating reasons for the Appeal. The Company is of the view that the Sponsor fails to consider the merits of the Company's reasons set out in the Appeal Letter.

10. In relation to the due diligence checks conducted on the New Investor, the Company has conducted those checks which demonstrated that the director and shareholder of the New Investor does not hold directorship or shares in any other companies, businesses, public accounting firms or limited partnership, except for the New Investor. The due diligence checks also indicated that there are no ongoing or past bankruptcy, insolvency or litigation cases against both the New Investor and its director and shareholder for the past three years, except a motor accident claim was previously filed against the New Investor's director in 2020 but it was withdrawn and discontinued in April 2021.

11. In relation to the financial strength of the New Investor, the New Investor has executed the new investment agreement, which include the provisions of the Cashier's Order of S$400,000 that is liable to be forfeited if the New Investor breaches the terms of the new investment agreement, the provision of a new Convertible Loan of S$300,000 to the Company and the working capital loan of S$200,000 to CEPT. These commitments are clear indications of the New Investor's financial ability to complete the proposed Investment.

12. In relation to the apparent issues arising from conflict of interests between the New Investor and the Company's customer to the Material Supply Contract, the Company had already addressed the Sponsor's queries on 14 April 2022 and the New Investor had confirmed the Company's position and clarified them during the 22 April Meeting. There are no interests or formal relations between the New Investor and the Company's customer, and this has been verified by the due diligence checks conducted on the New Investor and the said customer.

13. In relation to the Material Supply Contracts, there is no basis for the Sponsor to question the bona fides of the Material Supply Contracts. The Material Supply Contracts are legally binding agreements for CEPT to procure new businesses and they do not expressly provide for termination of the agreements if the Investment is not completed. However, the Company is of the view that it is perfectly legitimate for customers seeking to enter into contracts with CEPT to be concerned with CEPT's ability to perform the contracts if the Company is unable to retain its listing status given that its listing status is inextricably linked to the completion of the Investment by the New Investor and consequently the Group's ability to maintain as a going concern. Before counterparties take on such commercial risks, it is logical for them to predicate the continuation of the Material Supply Contracts on the successful completion of the Investment.

14. In relation to the Company's business and revenue-generating abilities in the past months since the entry into the Master Restructuring Agreement, as stated in the Appeal Letter, at all material times, the introduction of new business opportunities was envisaged to be undertaken concurrently and in conjunction with the debt restructuring and completion of the Investment. Given that this was discussed during the preliminary discussions between the Company, its advisors, the Sponsor and the Investor on the broad framework of the restructuring and the Investment prior to entry into the Master Restructuring Agreement in August 2021 and the Company had disclosed on 2 November 2021 in its response to SGX's queries that the Company intends to substantiate its application to resume trading of the Company's shares premised on the successful implementation of the Scheme (which is funded by the Investment) and the new business opportunities that the Investor shall introduce to the Company as part of the Investment, the Sponsor would be aware from the onset of the Investment, that the Company would only be in the position to resume trading upon the completion of the Investment and that its focus would be on restructuring during the past few months since entering into the Master Restructuring Agreement with the Previous Investor on 25 October 2021. The Company has worked hard to procure various business opportunities and networking opportunities. The cashflow projections and profit forecast prepared by the Company's financial advisors, which are premised on the Material Supply Contracts that CEPT has procured and is reasonably expected to obtain within the next 12 months, demonstrate that the Group is expected to have a viable business for the next 12 months. The Company has also explained in the Appeal Letter that given the nature of construction projects, the Company is unable to control the timelines and progress of the projects. Therefore, as purchase orders from customers were not yet received at the time of the Appeal Letter – a matter not within the control of the Company – CEPT had yet to generate revenue and was therefore unable to open a bank account. In any case, the Company has since received purchase orders in April 2022. As for the amounts owed to the Company's employees, the Company is well aware that sums are due to its employees and fully intends to repay the outstanding sums in accordance with the terms of proposed Investment and the Scheme. This has been part of the terms of the Master Restructuring Agreement from the outset and released as part of the Company's announcement on 28 October 2021.

15. In relation to the termination of the previous Investment, it has no material impact on the continuation of the proposed Investment Investor, given that the key terms of the proposed Investment by the New Investor remain the same.

16. Overall, the Company is of the view that the Sponsor's review of the Company's Appeal do not sufficiently address the grounds of the Appeal. The Company also notes that the Sponsor had

unjustifiably withdrew its support for the Company and its plans less than 1.5 months into the implementation of the Master Restructuring Agreement notwithstanding the fact that the Sponsor had partook in preliminary discussions with the Company, its advisors and the Investor on the broad framework of the restructuring and the Investment prior to entry into the Master Restructuring Agreement in August 2021. At all material times, the introduction of new business opportunities by the Investor was envisaged to be undertaken concurrently and in conjunction with the debt restructuring and completion of the Investment.

Sponsor's Response to Company's position on the Sponsor's review of the Appeal

17. The Sponsor provided its response to the Company's position as set out at paragraphs 9 to 16 above. Whilst the Company disagrees with these responses for the reasons set out above, the Company reproduces the Sponsor's response in full below as required by Sponsor:

17.1 "Point 1. Based on: (i) our review of the Letter of Appeal; (ii) the Company's representations and responses to our queries and; (iii) information gathered from the meeting with the potential investor, we are of the view that the Company has not provided any substantive new information/developments and compelling reasons. As such, there are no grounds and extenuating reasons for the Appeal. The full basis of our views were set out in our email to the Company on 24 April 2022.

17.2 Point 2: The New Investor was incorporated on 23 September 2020, with an operating history of less than two years, and a paid up capital of S$10.00. It was represented to us that the revenues generated by the Investor was S$200,000 to S$300,000 in the last financial year. Plans to fund the S$900,000 in capital commitments to the Company was not shared with the Sponsor. The Sponsor is of the view that these would require more in depth due diligence to be conducted by a more suited sponsor firm.

17.3 Point 3: In light of the S$900,000 capital investment by the Investor and given that the new businesses are also injected by seemingly related parties, such transactions may have to be aggregated and treated as a RTO. The Sponsor is of the view that these would require more in depth due diligence to be conducted by a more suited sponsor firm.

17.4 Point 4: The Sponsor did not conclude that the Material Supply Contracts were not bona fide transactions. The Sponsor is of the view that these would require more in depth due diligence to be conducted by a more suited sponsor firm.

17.5 Point 5: CEPT has no revenue and no bank account, and it has no operating business, matters which were represented to be out of the Company's control. Unfortunately, it was served the delisting notice, which alas, was also not within the Company's control.

17.6 Point 6: Ideas are worth nothing unless executed. Unfortunately, even with the passage of time (August 2021 to April 2022), ideas and plans were not executed. This is also acknowledged by the Company in its announcement on 30 March 2022. Any bases to support any appeal must be concrete and achieved and not future events which have not materialised and subject to and contingent upon the Appeal having been successful. Any assessment is conducted on an "as is" basis and not "what could have been" basis.

17.7 Point 7: To the best of the Sponsor's knowledge, no new deal was signed or executed. No relevant announcements were made if there were any.

17.8 Point 8: The Company was given ample notice, and ample time (4.5 months at least) to find a suitable, supportive, and ultimately justifiable (in the Company's eyes) sponsor."

Delisting on 4 May 2022

18. In any event, unless the Sponsor and/or the regulatory authorities take a different view after considering the Company's full grounds set out in the Appeal Letter and paragraphs 10 to 16 above that there are circumstances and/or basis for grounds or extenuating reasons for the Appeal, the Company's shares will be delisted on 4 May 2022, 9.00 a.m. ("**Delisting Date**").

19. Arrangements (if any) on the issuance to depositors of share certificates relating to the shares of the Company held with the Central Depository (Pte) Limited will be made known in a separate announcement. Shareholders who have further enquiries after the Delisting Date may contact the Company at christine.liu@libragroup.com.sg.

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

27 April 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**"). 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, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com.