

# LIBRA GROUP LIMITED

ANNUAL REPORT 2015

### CONTENTS

- 01 Corporate Structure02 Corporate Profile
- **06** 5 Year Financial Higlights
- 08 Corporate Milestones
- 12 Chairman's Message
- 18 主席献辞
- 24 Board of Directors
- 27 Key Management

- 32 Financial Review
- **36** Operations Review
- 42 Portfolio Review
- 52 Investor Relations
- 54 Sustainability Report
- Workplace, Safety and HealthHuman Capital
- 60 Financial Contents



This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**") for compliance with the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness, correctness of any of the information, statements or opinions made or reports contained in this annual report.

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1



## CORPORATE PROFILE

LIBRA GROUP LIMITED (the "Company" and together with its subsidiaries, the "Group" or "Libra") is a Singapore-based integrated building solutions company with its core businesses in: (i) mechanical and electrical engineering ("M&E") services, (ii) manufacturing and sale of airconditioning and mechanical ventilation ducts ("ACMV") and trading of ACMV related products, and (iii) building and construction solutions.

Started in 1997, Libra is an established market leader in integrated M&E solutions and customised ACMV ducts, providing design, manufacturing, supply and installation of ACMV systems, fire alarms and fire protection systems, electrical systems, sanitary and plumbing systems and specialty utilities systems. Libra is also one of the largest manufacturers of customised ACMV ducts in Singapore.

The Group provides building and construction solutions through two wholly-owned subsidiaries — BCA licensed C1 main contractor Libra Building Construction Pte Ltd ("LBC") and the recently acquired Cyber Builders Pte Ltd ("Cyber Builders"), which has since obtained an upgrade to BCA grade of B1 for workhead CW01 general building in February 2016.

The Company was listed in 2011 on the Catalist Board of the Singapore Exchange Securities Trading Limited.

FY2015 REVENUE

**\$\$90.21** <sup>million</sup> △42%

FY2015 NET PROFIT

**\$\$6.28** <sup>million</sup> △20%

### CORPORATE PROFILE



MECHANICAL AND ELECTRICAL ENGINEERING ("M&E") SERVICES The Company, through its subsidiary, Kin Xin Engineering Pte Ltd ("Kin Xin Engineering") specialises in the installation of air-conditioning and mechanical ventilation ("ACMV") insulation in Singapore.

Since it started in 1997, Kin Xin Engineering has expanded its range of M&E services to include the supply and installation of ACMV systems, fire alarms and fire protection systems, electrical and extra low voltage systems as well as sanitary and plumbing systems and specialty gas systems for us to provide comprehensive one-stop services

In early 2015, Kin Xin Engineering successfully obtained an upgrade in its Building and Construction Authority ("BCA") grading to L6 category from L5 category for air-conditioning,

refrigeration and ventilation works (workhead ME01) and integrated building services (workhead ME15). The upgrade allows Kin Xin Engineering to tender for unlimited amount of public government projects compared with a tendering limit of S\$14 million previously.

In February 2016, Kin Xin Engineering successfully obtained an upgrade in its BCA grading to L6 category from L5 category for electrical engineering (workhead ME05).

Kin Xin Engineering was conferred the recognition of Asia Pacific Brands Award Singapore's Finest 2014 for satisfying the requirements by the honourable panel of Trade & Industry Association (Singapore), Asia Business Journal & Asia Pacific Brands Award Singapore.

#### MANUFACTURING

Libra Engineering Pte Ltd ("Libra Engineering") was set up in 2005 to undertake the ACMV duct manufacturing component of our business and has since grown to become one of the largest manufacturers of ACMV ducts and accessories in Singapore. Over the years, Libra Engineering has built strong brand equity for ACMV-related products, including LibraSeal, LibraAire, Libra Flex, Libra Wool, Libra Fibre Glasswool, Libra Aluminium Foil Tape and Libra Gasket Tape brands. Currently, its products are for both in-house use as well as sale to third party contractors, including main contractors and sub-contractors in the construction industry.

The Company remains focused on ensuring high product quality and reliable customer deliveries. Our manufacturing segment complements our M&E services segment, giving us a competitive edge. The Company is ISO 9001:2008 and bizSAFE certified, underlining our unwavering commitment to quality, workplace safety and health.

Libra Engineering received the 2013 Singapore Excellence Award for having demonstrated exceptional accomplishments in the business field.

# SOLUTIONS

Cyber Builders, which was acquired in April 2015, has strengthened our building and construction solutions arm. In February 2016, it was announced that Cyber Builders successfully obtained an upgrade in its BCA grading to B1 category from C1 category for General Building (workhead CW01). The upgrade enables Cyber Builders to tender for public sector projects of up to S\$42 million, from S\$4.2 million previously.

# **BUILDING AND CONSTRUCTION**

The Company provides total building and construction solutions through two wholly-owned subsidiaries — Libra Building Construction Pte Ltd ("LBC") and newly acquired Cyber Builders Pte Ltd ("Cyber Builders").

## **5 YEAR FINANCIAL HIGHLIGHTS**







2013

2.23

4.79

3.061

0.577

8.16

0.07

0.18

TOTAL ASSETS



		2015	2014	
FY2015				
RETURN ON ASSET	Management Efficiency Ratios			
	Return on Asset (%)	7.34	9.35	
7.34%	Return on Equity (%)	26.88	29.87	
	Dividend Ratios			
	Dividend Yield (%)	6.186	9.160	
FY2015 DIVIDEND YIELD 6.19%	Dividend Payout Ratio	0.226	0.233	
	Leverage Ratios			
	Debt to Net Profit	6.05	4.37	
	Net Debt to Equity	1.34	0.72	
	Debt to Asset	0.44	0.41	

**REVENUE BY SEGMENT** 



Source: ShareInvestor.com



### CORPORATE MILESTONES

	<image/> <section-header><section-header><section-header><section-header><section-header></section-header></section-header></section-header></section-header></section-header>					<b>2010</b> • Secured projects as a nominated sub-contractor         • Successfully acquired L5 grading in the ACMV works category and also in the integrated building services category	
997-98	2000-03	2005	and install ele alarm system	contract to supply actrical system and fire , using insulated ducts d by Libra Engineering 2008-09	2010	2011 • Listed on the Catalist Board of the Singapore Exchange 2011	
<ul> <li>1997</li> <li>Incorporation of Pte Ltd ("Kin Xir Staff strength: 5</li> <li>1998</li> <li>Kin Xin Engineer ACMV insulation</li> </ul>	ring clinched		nsion of scope of ude supply and ACMV systems of Libra e Ltd ("Libra to undertake	<ul> <li>2008</li> <li>9. Awarded more contracts to supply and install ACMV, electrical and fire alarm systems</li> <li>9. Staff strength of nearly 200</li> <li>2009</li> <li>9. Libra Engineering started trading ACMV, related accessories</li> <li>9. Secured M&amp;E projects for facilities at a large scale integrated resort</li> </ul>		Solution of the second seco	

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### 2014

- Addition of building and construction solutions segment following acquisition of Ai-Build Pte Ltd, which is now known as Libra Building Construction Pte Ltd
- Awarded a S\$13.8 million contract for ACMV works at Temasek Polytechnic
- Awarded a S\$9.9 million M&E contract for ACMV works at Ministry of National Development
- Acquired new factory at 53 Loyang Drive
- Raised S\$3 million via private placement

### 2014

2015

2016



r Builders Pte Ltd, which grade from Building and ") C1 category to B1 o to S\$42 million

ly obtained an upgrade ory for ACMV and tegories

with workers dormitory

## 2016

Kin Xin Engineering successfully obtained an upgrade in its BCA grading to L6 category from L5 category for electrical engineering (workhead ME05) in February 2016

# **QUALITY** ASSETS DIVERSE PORTFOLIO Expanding Our Presence

### **53 LOYANG DRIVE** SINGAPORE 508957

Strategically located at 53 Loyang Drive, our leasehold factory spans a land area of 6,044.30 sgm and Gross Floor Area of approximately 10,816.40 sgm. The facility is located near established infrastructure, facilities and amenities located nearby. It is accessible to all parts of Singapore via Tampines Expressway.

Undergoing upgrading since 2015, about 50% of the premises is currently being utilised for manufacturing operations.

Scheduled to be completed by 2017, our new 4-storey factory with ancillary office is expected to house all our business divisions and support our growing operations under one roof.

LAND AREA	6,044.30 sqm
TENURE	37 years leasehold till 2052
OWNER	Libra Group Limited

GROSS FLOOR AREA 10,816.40 sqm ESTIMATED YEAR OF 2017 COMPLETION

### 34 SUNGEI KADUT LOOP SINGAPORE 729488

The industrial complex comprises two blocks of 1-storey factory building with mezzanine and another 4-storey factory building with canteen and ancillary dormitory. Owned by Cyber Builders Pte Ltd, the premise will house 309 beds for workers' dormitory as well as offering additional space for leasing to third party operators.

LAND AREA 9,168 sqm TENURE 6 years OWNER Cyber Builders Pte Ltd GROSS FLOOR AREA 7,823.62 sqm EFFECTIVE STAKE



100%

### CHAIRMAN'S MESSAGE

### 2015 PAVED A CLIMAX TO A TRAILBLAZING **BUSINESS TURNAROUND SINCE 2013 AND** HAS SET SOLID FUNDAMENTALS FOR A SUSTAINABLE FUTURE FOR THE GROUP.

Our revenue increased a phenomenal 42% year-on-year to \$\$90.2 million in the financial year ended 31 December 2015 ("FY 2015") on growth across all three segments, in particular the building and construction solutions segment. This reflects a 188% increase from a revenue of S\$31.5 million since the financial year ended 31 December 2013. Gross profit increased by 20% from S\$14.4 million to S\$17.3 million and profit after tax attributable to owners of the company increased by 19% to S\$6.3 million from S\$5.3 million.

This stellar performance is a result of a sound business model and time-tested strategies which allowed greater integration of in-house capabilities to effectively harness synergies amongst various businesses to increase productivity and efficiencies.

#### YEAR IN REVIEW

The successful acquisitions of Libra Building Construction Pte Ltd and Cyber Builders Pte Ltd have greatly enhanced the breadth of services and solutions offerings by the Group. From a focused mechanical and electrical engineering player, we have transformed into an integrated building and construction solutions provider by tapping on core expertise and proven track records of the spectrum of engineering value chain.

In 2014, we successfully acquired Libra Building Construction Pte Ltd which has augmented the services spectrum in building construction activities.

During the year 2015, the Company continued to grow the business with the addition of Cyber Builders Pte Ltd ("Cyber Builders") to the building and construction solutions segment in April. Cyber Builders went on to obtain an upgrade in Building and Construction Authority

# **SOLID FUNDAMENTALS** SUSTAINABLE FUTURE

("BCA") grading to B1 category from C1 category for workhead CW01 (general building), announced in February 2016. While the Group's core competency is in M&E engineering, acquiring Cyber Builders has enabled us to develop the full spectrum of competencies and solutions for the building and construction industry and open up for new revenue streams.

Kin Xin Engineering Pte Ltd ("Kin Xin Engineering") had also successfully obtained an upgrade in its BCA grading from L5 to L6 category for air-conditioning, refrigeration and ventilation works (workhead ME01) and integrated building services (workhead ME15) in 2015 and for electrical engineering (workhead ME05) for tendering unlimited amount of public government projects in February 2016.

These contributed to a stronger performance for the financial year.

Leveraging on our core competencies, we continued to secure new contracts for mechanical and electrical engineering and improved on project costs management.

During FY2015, the Group has maintained its growth by winning five new major engineering contracts for M&E works which included Dulwich College, Philips Electronics Industrial Building, Multi-Storey Vehicle and Support Facilities at Selarang, Mandai Camp II and Dawson Public Housing. Among some of the notable ongoing projects for building construction activities include the building and construction of the water treatment plant at Woodlands for Global Foundries which is the first fab in Singapore to adopt reclaimed NEWater as feed stock to the ultrapure water production system, which is progressively contributing revenue within the construction business.

### CHAIRMAN'S MESSAGE

#### NURTURING HUMAN CAPITAL

Our people is the heart of our transformation. To succeed, we will nurture our people and grow our talent pool. We believe in preparing for the future. In the year under review, we have strengthened our management team to gear up for greater organization growth. We strive to provide a working environment that fosters creativity and innovation that attracts talents to grow with the Group, while grooming existing staff and management to take on bigger roles within the organisation.

### FIVE PRONGED GROWTH STRATEGY

Over the past few years, the Group's fivepronged growth strategy has been systematically executed with great vigour and business discipline.

In terms of asset ownership, we had acquired two properties under the Group. The first is the property acquired in late 2014 at 53 Loyang Drive which is slated to be the corporate headquarters to house all divisions under one roof. This will provide for greater operational efficiency as well as allow for future expansion.

Scheduled to be completed by 2017, the new corporate headquarters spans a land area of 65,061 square feet and a built-in area of approximately 86,021 square feet for expanded business operations, warehousing and for thirdparty leasing.

The second is the Sungei Kadut Loop facility under Cyber Builders which will house a 309bed as workers' dormitory as well as additional premises for leasing to third party operators.

Secondly, we are pursuing organic expansion through broadening the range of products and solutions offered. We strive to take on higher value contracts as well as obtaining higher BCA grading in other areas of work to enable us to bid for public government projects of higher tender limits categories.

Enhancing capabilities and improve efficiency through continuous innovation and integration is our third growth strategy. We will invest in productivity improvement and cost-saving strategies, so as to optimise our profit margin.

Fourthly, we target to expand regionally through new regional opportunities via mergers and acquisitions, joint ventures and strategic alliances.



Going forward, we will grow our recurrent revenue stream through acquisitions and investment of assets with good investment yields.

We are continuously looking at new opportunities that complement our strategy to maximize shareholders returns.

Lastly, while the Group has successfully anchored solid fundamentals for our core building and engineering business it will embark on diversification as part of our growth strategy.

Keeping pace with our need for new business reach and diversity, our drive is to explore beyond our boundaries and lead us to new business opportunities.

### DIVERSIFICATION FOR GROWTH

Our diversification into aviation-related business is our first step towards our proposed growth plan into tourism and hospitality industry.

### THE GROUP HAS SUCCESSFULLY ANCHORED SOLID FUNDAMENTALS FOR OUR CORE BUILDING AND ENGINEERING BUSINESS IT WILL EMBARK ON **DIVERSIFICATION AS PART OF OUR GROWTH STRATEGY.**

In November 2015, we have entered into an option agreement to subscribe for new shares of not less than 20% in Neptune Aviation Ltd ("Neptune Aviation"), which has entered into two sale and purchase agreements to acquire four Boeing 737-400 narrow-body jets.

Aviation is expected to be one of the key beneficiaries of the Malaysian government's Economic Transformation Programme (ETP) launched in September 2010, targets to raise the country's per capita income to at least USD15,000 by 2020 and the increased disposable income is expected to raise domestic tourism as well as attract international tourism<sup>1</sup>.

Malaysia was the 16<sup>th</sup> largest civil aviation market in the world in terms of air passenger traffic as of 2013<sup>1</sup>. The local aviation sector can look forward to a more positive outlook. with the favourable edge encouraged by the current lows in jet fuel prices.

Emerging Markets Direct Reports, Malaysia Industry Research, Aviation Industry dated March 2015



FINANCIAL POSITION The Group's financial position continues to be healthy. Net assets stood at S\$23.4 million as at 31 December 2015, as compared to S\$17.8 million as at 31 December 2014. Net asset value per share stood at 19.9 Singapore cents as at 31 December 2015.

Cash and bank balances and pledged deposits stood at S\$6.7 million as at 31 December 2015. Our earning per share stood at 5.32 Singapore cents, up 3% as compared to 5.16 Singapore cents for the financial year ended 31 December 2014.

Market capitalisation was approximately S\$19.0 million based on the closing share price of 16.2 Singapore cents as at 31 December 2015.



## CHAIRMAN'S MESSAGE

### **REWARDING SHAREHOLDERS**

Over the years, the Company has consistently delivered good returns to our shareholders. This year, the Board has proposed a final dividend of 0.7 Singapore cents per share. This brings the total dividend to 1.2 Singapore cents for FY 2015.

This translates to a dividend yield of 7.4 per cent based on the closing share price of 16.2 Singapore cents as at 31 December 2015 and a dividend payout ratio of 22.6 per cent for FY 2015.

### **BUSINESS OUTLOOK FOR 2016**

Based on the growth estimates by Ministry of Trade and Industry on 4 February 2016, the Singapore economy grew by 1.8 per cent on a year-on-year basis in the fourth quarter of 2015, unchanged from the third quarter. On a quarteron-quarter seasonally-adjusted annualised basis, the economy expanded by 6.2 per cent, extending the 2.3 per cent growth in the previous quarter.

The construction sector grew by 4.9 per cent year-on-year, faster than the 3.0 per cent growth in the previous quarter. Growth was supported by public sector construction activities. On a quarter-on-quarter seasonallyadjusted annualised basis, growth in the sector accelerated to 6.0 per cent, from 0.2 per cent in the preceding quarter.

The industry outlook in Singapore remains challenging in the next 12 months with increasing competition and manpower shortages. The Group will continue to focus on its core business by leveraging its strong track record in building construction and engineering to secure more projects as well as enhancing cost effectiveness and efficiency optimisation in the management of on-going projects that we believe will aid us in riding out the industry challenges well.

The Group will be taking one step further by going abroad, initially setting its eyes on Malaysia's aviation related tourism sector. With the Singapore brand name that we carry, we hope to diversify ourselves to other markets and strengthen our revenue base.

On behalf of the Board, I would like to express my deepest appreciation to all stakeholders who have been instrumental in the Group's success over the past years - customers, business associates, management team, staff and shareholders. Having the right team has been the key to the success of our business.

Geared up for sustainable growth, the Group is ready for new opportunities and challenges which the future holds. We will grow from strength to strength in building our market leadership in the construction industry to meet the urbanisation needs of Singapore and beyond. We will continue to adapt and make sound decisions that will allow the Company to grow sustainably.

### A NOTE OF APPRECIATION

### **MR CHU SAU BEN**

Executive Chairman & Chief Executive Officer Libra Group Limited



### 天秤集团有限公司2015年年度报告: 主席献辞

# 坚实的基础, 可持续的未来

天秤集团有限公司(简称"天秤集团")自2013年 以来成功转型,业务拓展至2015年已达到新高 峰,这为天秤集团未来的可持续发展奠定了坚实 的基础。

在2015财政年度,我们的营业额同比增长42%,达 到9060万新元,所有三个营业部都增长显著,建 筑和施工方案部门尤为明显。集团的营业额收入 自2013年的3150万新元增长了188%, 毛利润增长 了23%,从1440万新元增至1770万新元,公司股 东税后可得净利增长了19%,从530万新元增至 630万新元。

这一出色的表现得益于我们完善的业务模式以及 久经考验的经营策略,公司内部的各项功能因此 得到更好地整合,从而使公司有效地利用各类业 务的协同效应来提高生产力和效率。



### 全年回顾

过去两年,我们成功收购LIBRA BUILDING CONSTRUCTION私人有限公司及CYBER BUILDERS私人有限公司。这迅速地扩展了天秤 集团所提供服务及解决方案的范围。通过我们的 核心专长,同时加上我们在建筑工程价值链内久 经考验的业绩,我们已从专注于机械和电力工程 商晋升成为一家提供综合性建筑与施工解决方案 的集团。

2014年,我们成功地收购了LIBRA BUILDING CONSTRUCTION私人有限公司,从而极大地扩展 了建筑施工活动的服务范围。2015年期间,随着 CYBER BUILDERS私人有限公司(简称"CYBER BUILDERS")被收购并纳入旗下, 天秤集团的业 务得以继续扩展,并于4月间进军建设领域。2016 年2月建设局 (BCA) 宣布将 "CYBER BUILDERS" 的总建筑施工承包商(承包商CW01)资质等级从 C1级提升为B1级。虽然天秤集团的核心业务是机 电工程, 收购"CYBER BUILDERS"使我们在建筑 行业的能力及解决方案方面得以全面拓展并开辟 新的收入来源。

KIN XIN工程私人有限公司(简称"KIN XIN 工程")也成功获得了建设局(BCA)资质升 级。2015年,空调、制冷与通风工程(承包商 ME01) 以及综合建筑服务 (承包商ME15) 的资 质被提升为电机最高级别L6级。这资质升级能让 KIN XIN工程承包无限制的政府工程。2016年2 月, 电力工程 (承包商ME05) 资质等级也被晋升为 L6。这些发展对于本集团上一年度的强劲表现均 有促进作用。

通过运用我们的核心能力.我们不断获得机电工程 方面的新合同并强化了工程项目的成本管理。

2015财年期间,本集团之稳固增长,归功于五个 新的大型机电工程合同,其中包括德威学院、飞 利浦电子工业大厦、史拉兰多层停车场及配套设 施、万里营地II 以及道森公共房屋项目等。其中 值得关注正在兴建中的建筑项目还包括在兀兰区 GLOBAL FOUNDRIES在新加坡首个以回收新生水 为原料生产超纯水制造系统的新生水处理厂。这些 项目都已步入正轨,并正在逐步使公司增加营业额 以加强在施工工程方面的业务。

### 培育人力资本

我们的员工是公司转型的核心动力。为了取得成 功,我们将对员工进行培养并扩大我们的人材资源 网络。我们认为务必要为未来作好准备。在这一年 度中,我们加强了管理团队的素质建设,以适应集 团进一步发展的需求。我们努力提供一个可具有 创造力和创新精神的工作环境以吸引更多人材加 入天秤集团并与其共同成长,与此同时我们也对 现有员工及管理人员加强培训,以便他们得以在集 团内部发挥更大的领导效益。

#### 五管齐下的增长战略

过去几年中, 天秤集团按照集团的商业战略方针有 系统并有效地实施五大增长策略。

在资产资本化方面,我们将两个产业纳入天秤集团 旗下。第一个是2014年下半年购买位于罗夹道53 号的产业,集团拟将其建成集团总部,汇集所有部 门于一处。这样不仅可以提高集团运作效率,同时 也便于集团未来的扩展。

新集团总部占地65.061平方英尺,预计将于2017 年前竣工。其用于扩展业务运作、仓储及第三方出 租的建筑面积约为86.021平方英尺。

第二个新置产业是CYBER BUILDERS位于双溪加 株环路的设施,这将作为可容纳309个床位的工 人宿舍, 而多余空间将出租给第三方业者。

我们第二增长策略是一直寻求通过扩展产品种类 及所提供的服务范围来进行有系统地扩展。我们 努力争取签订更高金额的合同,并努力实现建设 局 (BCA) 颁发给其它承包工程领域内的资质等级 的提升,以便得以投标限制类别较高的政府公共 建设项目。

通过不断创新和整合来提高建设能力并提升生产 效率是我们的第三个增长策略。我们将对生产力提 升及成本节省策略进行大力投资,以此优化我们 的利润率。

第四,我们还计划通过合并收购、合资及策略结盟 等新的投资方式进行区域性扩展。展望未来,我 们将通过收购和投资收益率良好的资产来增加我 们的经常性收入来源。我们正在持续不断地寻找 新商机加强我们的策略,以使股东收益提升到更 高化。

天秤集团已成功地为我们的核心建筑及施工业务 打下坚实基础,并已开始多元化经营发展,将其作 为长期增长策略。为了满足对新的业务范围及多 元化的需求,我们旨在努力超越业务范围并由此开 发新的业务机会。



投资于航空相关业务,是我们进军旅游业和酒店 业计划的第一步。2015年11月,我们获得认购海王 星航空有限公司新股的期权。海王星航空公司正 在落实一项拥有四架波音737-400窄体机身喷气

航空业可望成为马来西亚于2010年推出的"马来 西亚政府经济转型计划 (ETP)"的主要受益产业 之一。该计划的目标是于2020年将国家的人民均 收入提高至最低15,000美元,其重点在增加国民 个人的可支配收入,这将促进国内与国际的旅游

截至2013年,马来西亚在航空客运交通领域名列 世界第十六大民航市场。由于当前低廉的喷气燃油 价格提供了有利条件,当地的航空业可指望未来 能拥有更为乐观的发展。

作为一家商用及旅游飞机租赁公司,其客机承租 人已成功在马来西亚国内开启了首次租机航行. 并在未来有望将业务扩展至亚洲其它国家。

### 天秤集团有限公司2015年年度报告: 主席献辞

### 财务业绩

本集团的财务业绩继续保持稳定,截至2015年12 月31日,集团的净资产为2340万新元,相比截至 2014年12月31日的净资产1780万新元,每股资产 净值为19.9新分。

截至2015年12月31日,现金和现金等价物以及 抵押存款为670万新元。每股收益为5.32新分,与 2014财政年度的5.16新分相比增加了3%。

截至2015年12月31日,按股票收盘价16.2新分计 算,公司市值约为1900万新元。

### 回馈股东

多年来, 天秤集团一直为我们的股东提供优厚的 回报。本年度, 董事会已建议派发每股0.7新分的 年终股息。加上先前分发的股息, 2015财年的总 股息为1.2新分。

截至2015年12月31日,股票收盘价为16.2分新 元,转折成股息率为7.4%,2015财政年度的派息 率为22.6%。

### 2016年业务展望

依据2016年2月4日贸工部发布的经济增长预估 报告, 新加坡经济于2015年第四季度同比增长了 1.8%, 并与第三季度相同。但按季度环比因素调 整后的年率计算, 新加坡经济实际上取得了6.2% 的增长, 超过前一季度的2.3%。

建筑业同比增长了4.9%,超过上一年季度的3.0%。 业务的增长得益于公共部门建设活动的支撑。在 经过按季度环比因素调整的年率化基础上,建筑 业增长率从前一季度的0.2%增至6.0%。 随着竞争日趋激烈以及劳动力日益短缺, 新加坡 未来一年的工业前景依然不容乐观。本集团将继 续专注于核心业务, 通过利用其在建筑及工程方 面的良好业绩争取更多的工程项目, 同时提高在 建工程管理的成本效益和效率优化。我们相信这 些措施将有助于我们安然应付整个建筑行业面对 的挑战。

天秤集团将进一步扩展国外市场,将目光锁定于马 来西亚,因为我们正计划进军马来西亚的旅游和 休闲市场。凭借新加坡在国际市场这一品牌的优势,我们希望可以在这新市场立足从而巩固我们 未来收入的基础。

### 感谢函

我谨代表董事会向多年来一直为天秤集团取得成 功作出过贡献的所有股东、客户、业务伙伴、管理 团队、员工表示最深切的感谢。拥有高素质的团队 是我们取得成功的关键。

天秤集团已为可持续发展作好准备,随时准备迎 接未来各种新的机遇和挑战。我们将不断茁壮发 展并取得建筑行业的市场领导地位,以满足新加 坡与区域性的城市化发展需求。我们将不断精益 求精以促使天秤集团不断取得可持续性发展。

朱振铭 主席兼执行总裁 天秤集团有限公司

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# DEDICATED TALENT DYNAMIC POTENTIAL

Nurturing Our People

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### **BOARD OF DIRECTORS**



#### **CHU SAU BEN**

Executive Chairman and Chief Executive Officer

Mr Chu was appointed to the Board on 20 October 2010.

Mr Chu is also a director of YC Capital Consolidated Sdn. Bhd. and YC Travel & Tours Sdn. Bhd.

Mr Chu was one of the founding members of Libra Group Limited (the "Company" and together with its subsidiaries, the "Group") and has been responsible for the management and operations of Kin Xin Engineering Pte Ltd ("Kin Xin Engineering") since its incorporation in 1997. He brought with him his vast and extensive experience in the air-conditioning and mechanical ventilation ("ACMV") business having started out since the age of 18. Largely due to his drive and foresight, Mr Chu was able to expand the business of Kin Xin Engineering into the supply and installation of ACMV ductwork, chilled water pipes and refrigerant copper pipes. Under his leadership, the Group was able to secure more projects of increasing scale and value from both the public and private sector customers over the years.

Mr Chu was the winner of the Asia Pacific Entrepreneurship Awards 2015 (Outstanding Category) and was conferred the Top 10 Most Inspiring Entrepreneur Award, 2015.

#### **XU RUIBING**

Executive Director, Libra Group Limited and General Manager, Kin Xin Engineering Pte Ltd

Mr Xu was appointed to the Board as an Executive Director on 20 August 2015.

Mr Xu joined the Group on 1 August 2014 as General Manager of Kin Xin Engineering Pte Ltd. He is responsible for the day-to-day operations, process implementation, projects management, project tendering and human resource planning.

Mr Xu has over 20 years of experience in electrical engineering and project management. Prior to his current appointment, Mr Xu was an executive deputy managing director at Great Resources M&E Contractor Pte Ltd, a whollyowned subsidiary of China Construction (South Pacific) Development Co. Pte Ltd, where he took on various roles, including quantity surveyor, mechanical and electrical designer, project

at Katong.

Mr Xu has a Bachelor's Degree in Automation and Control (Majoring in Electrical Technology) from Northwestern Polytechnical University, China.

### YUEN SOU WAI Lead Independent Director

Mr Yuen is our Lead Independent Director and was appointed to the Board on 4 October 2011. Mr Yuen currently chairs the Audit Committee and is a member of our Remuneration Committee and Nominating Committee.

Mr Yuen has in total more than 37 years of broadbased financial and management experiences in various large local and global multi-national companies. He had held several senior financial and management positions, including chief financial officer, regional finance director and group financial controller in the Asia Pacific region.

Mr Yuen holds a Master in Business Administration from the University of Leicester, United Kingdom. He is a Fellow of the Chartered Institute of Management Accountants of the United Kingdom, a Fellow of the Institute of Singapore Chartered Accountants and a member of the Singapore Institute of Directors.

engineer, and project manager. He also managed a wide range of projects, including Silversea condominium, Republic Polytechnic, Clementi Mall, Oasis Hotel Novena, St Andrew's Village, Enterprise One Light Industrial and OneKM Mall

Mr Yuen is presently the lead independent director and audit committee chairman of both Huationg Global Limited and Chew's Group Limited, which are listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Mr Yuen is also an independent director at YHI International Limited, a company listed on the Official list of the Mainboard of the SGX-ST. Prior to his appointment as a non-executive director of YHI International Limited, Mr Yuen was holding the position of group chief financial officer as well as executive director responsible for the group's operations in Australia, New Zealand, Italy, United States of America and Canada.

### **BOARD OF DIRECTORS**

### **KEY MANAGEMENT**

#### **KONG CHEE KEONG** Independent Director

Mr Kong was appointed to the Board on 24 April 2013. He currently chairs the Remuneration Committee and is a member of the Nominating Committee and Audit Committee.

Mr Kong has over 20 years of experience in corporate strategy development, private equity investment and financial accounting, having previously worked with Ernst & Young LLP and the private equity arm of ING Barings. He provides corporate strategy development and project management services to both listed and private companies in Malaysia and Singapore.

Mr Kong holds a Master of Business Administration from Manchester Business School and a Bachelor of Accountancy (Hons) from the National University of Singapore. He is a full member of the Institute of Singapore Chartered Accountants.

#### **SOON AI KWANG** Independent Director

Mr Soon was appointed as an Independent Non-Executive Director of Libra Group Limited on 18 September 2015. He also chairs the Nominating Committee and is a member of the Remuneration Committee and Audit Committee.

He is currently the Principal of T.Y.Lin International Pte Ltd, which engages in engineering design consultancy and project management services. He is an engineer with more than 35 years of experience in the building industry.

Prior to his current appointment, Mr Soon was a Senior Principal Engineer of JTC Corporation, and had served as Departmental Head, Infrastructure Planning & Facilities Management, at the Agency for Science Technology and Research (A\*STAR). Mr Soon has over a decade's worth of management experience in China, holding senior management positions at Singapore companies with various postings to China. Prior to that, he was a senior lecturer at Nanyang Technological University for 15 years.

Mr Soon holds a Bachelor of Mechanical Engineering and a Master of Science, from the then University of Singapore (now known as the National University of Singapore) and University of Surrey, United Kingdom respectively. He has been a registered Professional Engineer since 1981 and is also a registered Singapore Certified Energy Manager.



From left (front row): Deng Rong, Tan Ngee Tiong, Kenny Ng Tek Kooi, Lei Lei and William Kong Ong Sing From left (back row): Jin Changsheng and Du Yijun Not in picture: Lim Boon Ping

#### **DENG RONG**

### Deputy Managing Director, Mechanical & Electrical Engineering Division

Mr Deng joined our subsidiary, Kin Xin Engineering Pte Ltd as General Manager on 10 May 2013.

Mr Deng's responsibilities include planning, strategizing and overseeing the operations of Kin Xin Engineering Pte Ltd.

Mr Deng has more than 20 years of experience in the building construction field especially in M&E services, including system design, site installation and project management. Prior to joining the Group, Mr Deng was the deputy managing director at Great Resources M&E Contractor Pte Ltd. Mr Deng was previously based in China, where he had managed projects at the Singapore-Suzhou Industrial Park, Singapore-Wuxi Industrial Park wafer factory

and a five-star hotel under the Sheraton Group at Nanning. He was also formerly a lecturer at Shanghai Mechanical Institution for 7 years.

Mr Tan joined Libra Engineering Pte Ltd on 5 October 2015 as General Manager.

Prior to his current appointment, he had spent 13 years in his first job at Carrier Singapore (Pte) Limited and gained a wealth of experience as Senior Sales Manager from 2002 to 2015. He is responsible for managing both the Commercial

Mr Deng holds a Bachelor's Degree in Mechanical Engineering from Tong Ji University, Shanghai.

### TAN NGEE TIONG

### General Manager, Manufacturing Division

Mr Tan oversees the daily operations of the manufacturing division while providing strategic direction to his team for project implementation.

### **KEY MANAGEMENT**

& Institution's sales departments. Mr Tan demonstrated his leadership skills in successfully leading a team and maximising their potential while achieving set business' goals and targets. Mr Tan's contributions included exceeding gross margin forecasts and securing contracts for the supply of air-conditioning equipment for Resorts World Sentosa and Changi Airport Terminal 3.

Mr Tan graduated from Nanyang Technological University with a Bachelor of Electrical and Electronic Engineering in 2002. He is also a Singapore Certified Green Mark Manager.

#### **KENNY NG TEK KOOI**

Group Financial Controller, Libra Group Limited

Mr Ng was promoted to his current position in September 2015.

In his current position, Mr Ng manages the financial, compliance and investor relations matters of the Group.

Mr Ng joined the Group in March 2014 as Group Finance Manager, where he had assisted in managing the overall financial, compliance and investor relations matters. Mr Ng brings with him more than 10 years of experience in finance and accounting gained from various industries. Previously, he had served in a Singapore Exchange Mainboard-listed company overseeing the Marine Division financial operations and statutory compliance matters for its local and overseas subsidiaries in India, Nigeria, Thailand, Australia, and Brazil. His past experience included handling of statutory and management reporting for a group of entities in the Asia Pacific region, financial planning and analysis, group consolidation and offshore tax planning. He was also actively involved in business process re-engineering initiatives and offshore entity incorporations. He had also previously served in the Audit and Business Advisory Services Division of Ernst & Young (Malaysia) and PricewaterhouseCoopers (Singapore).

Mr Ng is a member of the Certified Public Accountant (CPA), Australia and holds a Bachelor Degree in Commerce majoring in Accountancy from Royal Melbourne Institute of Technology University (RMIT), Australia.

#### **LELLEL**

#### Assistant General Manager, Mechanical & Electrical Engineering Division

Ms Lei Lei joined Kin Xin Engineering Pte Ltd on 1 September 2015 as Assistant General Manager.

Ms Lei Lei is responsible for the projects management, purchasing cost control, project tendering and human resource planning.

Ms Lei Lei has more than 10 years of experience in the building construction field, especially in M&E services, including system design, site installation and project management. Prior to her current appointment, Ms Lei Lei was an Assistant Managing Director at Great Resources M&E Contractor Pte Ltd, a wholly-owned subsidiary of China Construction (South Pacific) Development Co. Pte. Ltd, where she took on various roles, including M&E Design Engineer, Technical Manager, Project Manager and Project Director. She managed a wide range of projects, including Quincy Hotel A&A, Oasia Hotel Novena, Singapore Institute of Management Phase 1 & Phase 2, ITE Headquarters @ Ang Mo Kio, Changi Prison Headquarters, Katong Hotel and some other residential projects.

Ms Lei Lei holds a Master's Degree in Mechanical Engineering from Nanyang Technological University, Singapore and a Bachelor's Degree in Heating, Ventilation and Air Conditioning from Central South University, China. Ms Lei Lei is also a Singapore Certified Green Mark Manager.

#### WILLIAM KONG ONG SING Managing Director, Building and Construction Division

Mr Kong founded Cyber Builders Pte Ltd in year 2000 and was appointed as the Managing Director of Libra Building Construction Pte Ltd and Cyber Builders Pte Ltd on 7 September 2015.

Mr Kong oversees the daily operations of the building and construction solutions units of Libra Group Limited.

Mr Kong has over 25 years' of experience in the building & construction industry, including piling works both in design & construction of commercial buildings such as the Railway Terminal CIQ at Woodlands, 2 blocks of Woodlands Checkpoints, industrial buildings, residential properties and public projects such as building of schools. Mr Kong had held various positions such as Project Engineer, Project Manager and Senior Project Manager with BCA A2 & B1 graded construction and piling firms. Mr Kong had also assisted with the setting up of a pre-casting and ready-mixed concrete supply vard/plant including initial layout planning, land reclamation, infrastructure planning and installation, facilities planning, procurement and installation of the facilities, warehouse and offices at Batam, Indonesia. He had also implemented

and secured the ISO standard certification for all his ex-company's in Singapore and Batam's precasting yard.

Mr Kong holds a Diploma in Civil Engineering from Singapore Polytechnic and Honours Degree from University of Glasgow in Civil Engineering. Mr Kong is also a Certified External Assessor for ISO Certification and a member of the Institute of Engineers Singapore.

#### JIN CHANGSHENG Tender Manager, Mechanical and Electrical Engineering Division

Mr Jin was promoted to his current position in 2015.

Mr Jin is responsible for identifying all potential leads for prospective business, sourcing new contracts and tenders, as well as performing tender analysis and evaluation.

Mr Jin had joined Kin Xin Engineering Pte Ltd as Project Engineer in 2005, where he was responsible for worksite co-ordination, liaising with suppliers, contractors and consultants, conducting inspection and testing, and preparing variation orders and progress claims. In 2010, Mr Jin was promoted to Assistant Contracts Manager, where he was responsible for sourcing of new contracts and tenders as well as performing tender analysis and evaluation.

Mr Jin started his career in 1998 with Shenyang No. 1 Tools Machine Co. (China) as an Assistant Design Engineer where he assisted in the design of tools machine. He joined Comfort Management Pte Ltd in 2000 where he worked as an assistant service engineer and was responsible for the preparation of operation and maintenance schedules, as well as the operation, maintenance, trouble shooting and servicing of commercial and centralized air-conditioning systems, including cooling towers.

Mr Jin holds a Bachelor's Degree in Engineering from Shenyang University, China.

### **DU YIJUN**

Assistant General Manager, Building and Construction Division

Mr Du joined Libra Building Construction Pte Ltd on 15 November 2014 as Assistant General Manager.

Mr Du is responsible for the day-to-day operations, process implementation, projects management, purchasing cost control, project tendering and human resource planning.

Mr Du is a Chartered Engineer, UK (C.Eng) and a Corporate Member of Institution of Structural Engineer, UK (M.IStructE) since 2003. He is also a Corporate Member of Institution of Engineers, Singapore (M.IES) since 2000. Mr Du holds a Bachelor of Civil Engineering from Tong Ji University, Shanghai, a Master of Civil Engineering (Major in Geotechnical) from National University of Singapore and a Master of International Construction Management from Nanyang Technological University.

### **LIM BOON PING** Group Chief Financial Officer

Mr. Lim Boon Ping was appointed as our Group Chief Financial Officer on 15 February 2016. He oversees the Group's financial functions which relate to corporate finance, financial reporting, tax, corporate secretarial matters as well as liaising with external parties in respect of the Group's financial matters. His responsibilities include the review of the Group's performance, cash flow planning and funding structure. Mr. Lim has over 18 years of experience in finance and accounting. Prior to joining our Group, from 2008 to 2015, he was the Group Chief Financial Officer of GLG Corp Limited, Scintronix Corporation Ltd and Ying Li International Real Estate Ltd. He was the Financial Controller of a company engaged in the manufacturing and distribution of ophthalmic lenses prior to joining Ying Li. Mr. Lim holds a professional qualification from the Chartered Association of Certified Accountants of United Kingdom and is currently a Fellow member of the Institute of Singapore Chartered Accountants, Chartered Association of Certified Accountants of United Kingdom and a member of Singapore Institute of Directors.

Mr Du has close to 20 years of experience in civil and structural engineering. Prior to joining the Group, Mr Du was a Senior Project Manager (Chief Representative) at China Construction (South Pacific) Development Co. Pte Ltd from 2006 to 2014, where he led projects, including Floridian condominium and eCo condominium. From 2005 to 2006, Mr Du was a Technical Manager at Englim-Ho Lee Joint Venture, which was awarded the Circle Line Stage 3 contract.

# STRONG FOUNDATIONS TRUSTED BRAND

Optimising Our Strengths

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FY2015 TOTAL ASSET \$\$85.56 million △ 50.4% FY2015 NET ASSET PER SHARE 19.9 cents △ 28.4%



### FINANCIAL REVIEW

**REVENUE AND NET PROFIT ATTRIBUTABLE TO** SHAREHOLDERS INCREASED BY 42% AND 18% TO S\$90.2 MILLION AND S\$6.3 MILLION RESPECTIVELY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015 ("FY2015"). THIS WAS UNDERPINNED BY GROWTH ACROSS ALL THREE SEGMENTS, IN PARTICULAR THE **BUILDING AND CONSTRUCTION SOLUTIONS SEGMENT.** 

> The mechanical and electrical engineering ("M&E") segment continued to be the largest revenue contributor to the Group at 66.9%, followed by manufacturing at 18.4% and building and construction solutions at 14.7%.

Cost of sales increased by 48.0% to S\$72.9 million in FY2015 mainly due to:

- (i) an increase in sub-contractor costs in line with the increase in revenue and
- (ii) the consolidation of results of Cyber Builders Pte Ltd ("Cyber Builders") following the completion of its acquisition in April 2015.

Gross profit was up 20.1% to S\$17.3 million in FY2015 compared with S\$14.4 million a year ago mainly due to:

- (i) a positive contribution from the building and construction solutions segment of \$\$1.5 million from a gross loss of \$\$0.2 million in the financial year ended 31 December 2014 ("FY2014") as a result of the consolidation of Cyber Builders' results since April 2015,
- (ii) higher contribution from the M&E segment in tandem with higher project completion and improved project execution and productivity, and
- (iii) higher contribution from the manufacturing segment on higher sales volume of ducting and accessories.

Gross profit margin decreased from 22.7% in FY2014 to 19.2% in FY2015 mainly due to lower margin recorded by the M&E segment.

Other income increased to S\$1.2 million in FY2015 from S\$0.3 million in FY2014 mainly due to S\$0.4 million in compensation received by the Group in relation to the termination of a sub-contract for dry architectural work and S\$0.2 million recognised as a recourse against the vendor of Cyber Builders, as part of the covenants in the sale and purchase agreement for the acquisition of Cyber Builders.

Administrative expenses increased by 18.9% from S\$8.9 million in FY2014 to S\$10.6 million in FY2015. This was mainly due to:

- (i) the consolidation of Cyber Builders' expenses since April 2015 (including depreciation charge of S\$0.5 million on Sungei Kadut Loop property),
- (ii) land rental expense and property tax incurred for the Company's factory at 53 Loyang Drive, and

(iii) higher salaries and wage expenditure.

- The increase was partially offset by:
- (i) the decrease in the provision for impairment of contract work-in-progress due to more stringent project tendering analysis and selection process with tight risk management controls, as well as
- (ii) the decrease in the allowance for doubtful debts as a result of the tighter credit control policy implemented.

Finance costs increased from S\$0.5 million in FY2014 to S\$1.3 million in FY2015, mainly due to the increase in project financing utilised by the Group, which was in line with the increase in the Group's project activities.

Income tax expenses in FY2015 amounted to S\$0.3 million as compared to S\$0.03 million in FY2014 as a result of higher profits with lower unutilised tax losses to be offset against the taxable income.

As such, the Group's profit after tax arrived at \$\$6.3 million in FY2015 as compared with \$\$5.2 million in FY2014.

#### FINANCIAL POSITION

The Group's financial position remained healthy. As at 31 December 2015, the Group had net assets of S\$23.4 million, translating into a net asset value per share of 19.88 Singapore cents, up from 15.52 Singapore cents as at 31 December 2014.

Total assets comprised non-current assets of S\$30.9 million and current assets of S\$54.7 million as at 31 December 2015.

Non-current assets increased to \$\$30.9 million as at 31 December 2015, from S\$19.9 million a year ago. This was mainly due to:

- (i) the purchase of a property at Sungei Kadut Loop which amounted to S\$7.0 million, including S\$0.2 million of incidental cost capitalised and the capitalisation of S\$1.5 million of cost for asset-under-construction in the Company's factory at 53 Loyang Drive,
- (ii) a provisional goodwill of S\$0.9 million which arose from the acquisition of Cyber Builders, and
- (iii) deferred tax assets of S\$0.4 million arising from higher productivity and innovation credit allowance as a result of purchase of machineries and equipment.

Current assets stood at S\$54.7 million as at 31 December 2015, as compared to \$\$37.0 million as at 31 December 2014 due to the following:

(ii) increase in trade and other receivables of S\$9.5 million due to increased project billings,

(iii) increase in inventories holding of S\$1.7 million mainly due to bulk purchase of inventory items;



FY2015 GROSS PROFIT S\$17.3 million  $\triangle 20.1\%$ 

FY2015 NON-CURRENT ASSETS **S\$30.9** 

million  $\triangle 55.4\%$ 

(i) increase in gross amount due from customers for contract work-in-progress of S\$9.0 million;

(iv) an asset held for sale of S\$1.0 million which relates to the property owned by Cyber Builders and located at Link @AMK.



### FINANCIAL REVIEW

The increase was offset by a decrease in cash and bank balances of S\$3.7 million mainly attributable to:

- (i) increase in working capital requirement as a result of the Group's increased project activities,
- (ii) higher capital expenditure on machineries and equipment, and
- (iii) payment for the purchase of the property at Sungei Kadut Loop which is partially being utilised as a worker's dormitory.

Total liabilities comprised current liabilities of S\$46.0 million and non-current liabilities of S\$16.2 million as at 31 December 2015.

Current liabilities stood at S\$46.0 million as at 31 December 2015, as compared to S\$26.8 million as at 31 December 2014. This increase was mainly due to: (a) an increase in loans and borrowings of S\$10.8 million mainly attributable to (i) \$\$4.8 million of new mortgage loan which was secured for the purchase of the Sungei Kadut Loop property, (ii) increase in project factoring and trade financing utilisation and (iii) the mortgage loan which was secured for the property at Link @ AMK; and (b) an increase in trade and other payables of \$\$7.9 million due to decrease in payment to vendors as part of working capital management and in line with increased projects and business activities of the Group.

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Non-current liabilities increased to S\$16.2 million as at 31 December 2015 from S\$12.3 million as at 31 December 2014, mainly due to an additional mortgage loan on the Sungei Kadut Loop property.

Total equity increased to \$\$23.4 million as at 31 December 2015, from S\$17.8 million a year ago, mainly due to higher retained earnings and the issue of new shares as consideration for the acquisition of Cyber Builders.

### CASH FLOW

In FY2015, the net cash flows used in operating activities amounted to S\$3.8 million mainly due to operating cash flows before working capital changes of S\$9.0 million, adjusted for net working capital outflows of S\$11.6 million, as well as finance costs of S\$1.3 million.

Net cash used in investing activities of S\$11.0 million in FY2015 was mainly attributable to the purchase of property, plant and equipment of S\$10.8 million.

Net cash generated from financing activities amounted to S\$10.6 million in FY2015 due to the net proceeds from bank loans and borrowings of S\$12.3 million, which are mainly due to project financing, capital expenditure and purchase of the property at Sungei Kadut Loop, offset by dividend payment of S\$1.4 million and purchase of treasury shares of S\$0.3 million.

As at 31 December 2015, the Group's cash and cash equivalents stood at S\$6.2 million.

### **OPERATIONS REVIEW**

### LIBRA GROUP LIMITED ("LIBRA" TOGETHER WITH ITS SUBSIDIARIES THE "GROUP") HAS BUILT A STRONG FOUNDATION, SUPPORTED BY ITS THREE CORE BUSINESSES – MECHANICAL AND ELECTRICAL ENGINEERING ("M&E"), MANUFACTURING AND BUILDING AND CONSTRUCTION SOLUTIONS.

In line with the Group's strategy to reorganise its key functions to strengthen its fundamentals and to focus on new business opportunities, the year began with several new appointments to the Group's senior management team. These included an Assistant General Manager (M&E), General Manager (Manufacturing) and Managing Director (Building & Construction Solutions), in order to strengthen and deepen the expertise of the Management team as the Group looks outwards to capitalise on growth markets. Their foresight, strong project execution and project management experience have helped the Group to weather the current challenging operating environment.

During the financial year, the Group achieved several new milestones, including the addition of Cyber Builders Pte Ltd ("Cyber Builders") to the Building and Construction Solutions in April 2015 and its subsequent upgrade of Building and Construction Authority ("BCA") grading to B1 category from C1 category for General Building (Workhead CW01) in February 2016.

Kin Xin Engineering Pte Ltd ("Kin Xin Engineering") had also successfully obtained an upgrade in its BCA grading to L6 from L5 category for air-conditioning, refrigeration and ventilation works (Workhead ME01) and integrated building services (Workhead ME15) in 2015 and for electrical engineering (Workhead ME05) in February 2016. These new achievements had contributed to a stronger business performance for the financial year.

### MECHANICAL AND ELECTRICAL ENGINEERING ("M&E") SERVICES

The residential property market in Singapore remained subdued due to economic uncertainties and the prevailing property cooling measures. Despite challenging market conditions, the Group has not only secured new contracts in both private and public residential projects, but also in various commercial developments and institutional projects during the financial year.

Some of the notable projects secured during 2015 included:

(i) the S\$22.5 million sub-contract for the supply, delivery, installation, testing and commissioning of the electrical,

air-conditioning and mechanical ventilation system and fire protection system works for the proposed major addition and alteration to the industrial building for Philips Electronics Singapore Pte Ltd;

- (ii) the \$\$9.5 million sub-contract for the supply, installation, testing and commission of air-conditioning and mechanical ventilation system for a proposed erection of one block of 10-storey hotel and one block 3-storey clubhouse at Stevens Road ("The Pines");
- (iii) the \$\$8.95 million sub-contract works for the supply, delivery, installation, testing, commissioning and maintenance of the whole of electrical, air-conditioning and mechanical ventilation system for proposed new erection of Dulwich College (Phase 2) comprising one block 5-storey with a basement, one block 6-storey and one block 2 storey at Bukit Batok West Avenue 8;
- (iv) the \$\$9 million sub-contract for the supply and installation of air-conditioning and mechanical ventilation works for the proposed construction of the multi-storey vehicle storage and support facilities at Selarang; and
- (v) the \$\$5.4 million sub-contract for the installation of air-conditioning and mechanical ventilation and fire protection system for a proposed erection of a 11-storey Singapore Chinese Cultural Centre.

This demonstrates the Group's technical competency to undertake commercial and institutional projects with a wide array of complex specifications.

For the financial year ended 31 December 2015 ("FY2015"), revenue from the M&E increased by 31.2% to \$\$60.4 million primarily due to higher project volume. Gross profit was higher at \$\$11.8 million, from \$\$10.3 million in the previous year. Gross profit margin decreased by 2.7 percentage points to 19.6% due to more competitive pricing submitted for projects secured.

Going forward, the company will continue to strive for higher value projects as well as improvement in cost efficiency.



 $S_{\text{million}}^{\text{FY2015}} 60.4$ 

FY2015 M&E GROSS PROFIT S\$11.8 million  $\triangle$ 15.2%





MECHANICAL AND ELECTRICAL ENGINEERING (M&E) SERVICES



### **OPERATIONS REVIEW**

#### MANUFACTURING

Libra Engineering Pte Ltd is one of the top three manufacturers of ACMV ducts and accessories in Singapore. To strengthen its business, the unit has been investing resources to widen its product range, such as grilles, and adding production lines to increase its production capacity adjacent to its new plant in Loyang Drive.

We have continuously invested in new machinery to enhance our manufacturing competencies. The fire dampers we manufactured has obtained Productivity and Standards Board (PSB) Certification of Conformity in 2015. Purchased in December 2015, the Fibre Laser Machine increases the work efficiency and productivity with its slicing speed 3 times faster than the typical plasma-cutting machine, in addition to the smoother finishing edges. Libra Engineering Pte Ltd has further grown its business in Singapore as well as laid the foundation for growth into new markets such as Myanmar and Malaysia.

In FY2015, Manufacturing revenue grew 2.3% to S\$16.6 million mainly due to increased sales volume of ducting and accessories. Gross profit increased to S\$3.8 million, from S\$3.4 million in the previous year. Gross profit margin increased by 1.7 percentage points to 22.9% mainly due to higher sales order volume from external customers, whilst trading sales was reduced which yielded lower profit margin. The decrease was due to lower market activity, price competition, and an increase in labour costs.







FY2015 MANUFACTURING REVENUE

S\$16.6 <sup>million</sup> △2.3%

FY2015 MANUFACTURING GROSS PROFIT

**\$\$3.8** <sup>million</sup> △10.4%

SOLID FUNDAMENTALS • SUSTAINABLE FUTURE

### MANUFACTURING



### **OPERATIONS REVIEW**

# BUILDING AND CONSTRUCTION SOLUTIONS

The Building and Construction Solutions was strengthened in FY2015, following the acquisition of Cyber Builders in April 2015.

Revenue from this segment increased significantly to \$\$13.2 million in FY2015, compared with \$\$1.5 million a year ago. Gross profit was \$\$1.5 million, compared with a gross loss of \$\$0.2 million in FY2014, on strengthening project execution and management controls. This translated into a gross profit margin of 11.6%.

Notable projects included Hotel Clover, the water treatment plant at Woodlands and private residential projects.

In addition, Cyber Builders successfully obtained an upgrade to a BCA B1 main contractor licence in February 2016, enabling it to tender for public sector projects of up to S\$42 million, as compared to a limit of S\$4.2 million previously. This is timely, given BCA's guidance for strong demand for construction projects from the public sector in 2016<sup>1</sup>.

Looking ahead, Libra's Building and Construction Solutions will work towards realising synergies and economies of scale as it bids for a wider range of projects.

#### LOOKING AHEAD

As part of Libra's diversification strategy, it will continue to actively pursue and leverage its synergistic businesses which will provide the Group with a balanced and diversified portfolio to mitigate any headwinds.

The Group is cautiously optimistic as it embarks on the new phase of growth. It will continue to maintain firm discipline in its strategic investment approach in Singapore and abroad in order to enhance the returns on investments for shareholders.

Building and Construction Authority, Media Release "BCA estimates \$27 billion to \$34 billion worth of construction contracts to be awarded this year, with about 65% driven by public sector demand." dated 15 January 2016



### BUILDING AND CONSTRUCTION SOLUTIONS

FY2015 BUILDING AND CONSTRUCTION SOLUTIONS REVENUE

S\$13.2

FY2015 BUILDING AND CONSTRUCTION SOLUTIONS GROSS PROFIT

S\$1.5



### ONE CANBERRA EXECUTIVE CONDOMINIUM

#### **Project Description**

Proposed executive condominium housing development comprising 13 blocks of 12/13-storey residential building (total: 665 units) with basement carpark, swimming pool, clubhouse & ess/bc on Lot 03473w MK 19 at Canberra Drive/Yishun Avenue 7

### Scope of Works

Air Conditioning System, Mechanical Ventilation System, Ductless System/Electrical Services, Extra Low Voltage Systems

Company Awarded Kin Xin Engineering Pte Ltd

**Contract Value** \$\$13,300,000

Client China Jingye Construction Engineering (S) Pte Ltd

Owner MCC Land (Singapore) Pte Ltd



### NANYANG TECHNOLOGICAL UNIVERSITY

### **Project Description**

Proposed residence hall development comprising 6 blocks of 12 & 13 storey buildings on Lot MK09-01286n (Part Lot) at Nanyang Avenue/Nanyang Crescent (Western Water Catchment)

### Scope of Works

Air Conditioning System, Mechanical Ventilation System/Fire Protection System

Company Awarded Kin Xin Engineering Pte Ltd

Contract Value S\$6,014,400

Client Singapore Piling Pte Ltd

Owner Nanyang Technological University



### PHILIPS FACTORY

### **Project Description**

Proposed major additions and alterations works to existing 4-storey industrial building (for Philips Electronics Singapore Pte Ltd) with additional 2 storeys to become 6-storey single user industrial building on Lot 04174n MK 17 at Toa Payoh Lorong 1 (Toa Payoh Planning Area)

### Scope of Works

Air Conditioning System, Mechanical Ventilation System/Fire Protection System

Company Awarded Kin Xin Engineering Pte Ltd

**Contract Value** \$\$22,500,000

Client SH Design & Build Pte Ltd

Owner Philips Electronic Singapore Pte Ltd



### DULWICH COLLEGE

#### **Project Description**

Proposed new erection of Dulwich College (Phase 2) comprising one 5-storey block with a basement, one part 4/6 storey block and one 2-storey block on Lot 04935t MK 10 at Bukit Batok West 7 (Bukit Batok Planning Area)

### Scope of Works

Air Conditioning System, Mechanical Ventilation System, Ductless System/Electrical Services, Extra Low Voltage Systems

Company Awarded Kin Xin Engineering Pte Ltd

#### Contract Value S\$8,950,000

Client Koon Seng Construction Pte Ltd

### Owner

Dulwich College (Singapore) Pte Ltd



### SINGAPORE CHINESE CULTURAL CENTRE

#### **Project Description**

Proposed erection of 11-storey Singapore Chinese Cultural Centre on Lot 00482a TS30 bounded by Union Street, Marina View, And Straits Boulevard (Downtown Core Planning Area)

#### Scope of Works Air Conditioning System, Mechanical Ventilation

System/Fire Protection System

Company Awarded Kin Xin Engineering Pte Ltd

**Contract Value** \$\$5,432,000

Client Kim Seng Heng Engineering Construction (Pte) Ltd

Owner Singapore Chinese Cultural Centre Ltd



### ANIMAL LAB

### **Project Description**

Proposed addition and alteration involving new erection of a 4-storey teaching facilities building Block 8a at Temasek Polytechnic at MK28 on Lot 06163c at 21 Temasek Polytechnic Avenue 1

### Scope of Works

Air Conditioning System, Mechanical Ventilation System/Electrical Services, Extra Low Voltage Systems

Company Awarded Kin Xin Engineering Pte Ltd

Contract Value S\$4,150,000

Client Builder 90 Pte Ltd

Owner Temasek Polytechnic



### THE WESTCOM

### **Project Description**

Proposed erection of a block of 6-storey ramp-up multiple-user general industrial development (total: 72 factories and 72 warehouses) with ancillary facilities & temporary staff canteen on Lot 04705t MK 07 at Tuas South Avenue 6 (Tuas Planning Area)

### Scope of Works

Air Conditioning System, Mechanical Ventilation System

Company Awarded Kin Xin Engineering Pte Ltd

**Contract Value** \$\$2,289,000

Client Transurban Properties Pte Ltd

Owner Transurban Properties Pte Ltd



### THE INDEX

### **Project Description**

Proposed erection of a block of 4-storey ramp-up multiple user general industrial development (total: 98 units) with ancillary facilities & temorary staff canteen on Lot 04627w MK 07 at Tuas South Avenue 3

### Scope of Works

Air Conditioning System, Mechanical Ventilation System

Company Awarded Kin Xin Engineering Pte Ltd

Contract Value S\$1,450,000

Client Grow-Tech Properties Pte Ltd

Owner Grow-Tech Properties Pte Ltd



### CENTRAL IMPERIAL

### **Project Description**

Proposed erection of a block of 8 storey residential flat development (total 63 units) with mechanical parking & swimming on Mk 25 Lot 03765x, 03766l, 03767c, 97452c, 97453m, 96454w at 3,5,7, 9 & 11 Lorong 14 Geylang

Scope of Works Residential Construction

Company Awarded Cyber Builders Pte Ltd

Contract Value S\$22,500,000

Client/Owner G28 Development Pte Ltd



### SARKIES GREEN

### Project Description

Proposed new erection of 12-storey residential flat development (total 26 units) with basement & swimming pool on Lot 00012T Ts 26 at 10 Sarkies Road

Scope of Works Residential Construction

Company Awarded Cyber Builders Pte Ltd

**Contract Value** \$\$9,999,150

Client/Owner Brentwood Development Pte Ltd



### **GF CHEMICAL PLANT**

### Project Description

Proposed 3-storey hydrogen fluoride treatment and waste water reclamation plant & 2-tier tank yards to industrial development on Lots 3696K, 3796P, 3797T, 4896L, 4897C & 99528A Mk 13 at 60 Woodlands Industrial Park D Street 2 Singapore 738406

Scope of Works Industrial Building Construction

Company Awarded Cyber Builders Pte Ltd

**Contract Value** \$\$5,288,000

Client/Owner Global Foundries Singapore Pte Ltd



### GEYLANG CHINESE METHODIST CHURCH

### **Project Description**

Proposed additions and alterations to existing Geylang Chinese Methodist Church comprising of an additional 2-storey over the existing 2-storey part of the development on Lots 6237X & 9012M Mk 24 at 52 Aljunied Road

Scope of Works Additions & Alteration works

Company Awarded Cyber Builders Pte Ltd

Contract Value S\$3,150,000

Client/Owner The Trustees of the Methodist Church in Singapore



### HOTEL CLOVER @773 NORTH BRIDGE ROAD

### HOTEL CLOVER @ JALAN SULTAN

### **Project Description**

Proposed Interior Upgrading works for A 27 rooms Hotel (Hotel Clover) at 773 North Bridge Road and Proposed Additions and Alterations & change of use from Shop & Office to Hotel (Hotel Clover) On Lot 00532L Ts 14 at House No. 17 to 49 Jalan Sultan (Kampong Glam Conservation Area / Rochor Planning Area)

Scope of Works Interior upgrading and Additions & Alteration works

Company Awarded Cyber Builders Pte Ltd

**Contract Value** \$\$8,430,000

Client/Owner Singa Venture Pte Ltd





### INVESTOR RELATIONS

LIBRA GROUP LIMITED RECOGNISES THE IMPORTANCE OF INVESTOR RELATIONS ("IR") AS A STRATEGIC MANAGEMENT RESPONSIBILITY AS WE SEEK TO COMMUNICATE AND ENGAGE EFFECTIVELY WITH OUR STAKEHOLDERS.

#### INVESTOR RELATIONS POLICY

Libra Group Limited is committed to provide timely and consistent disclosures of financial results and significant corporate activities to its shareholders, investors, the financial community and the investing public. Communication with shareholders is managed by the Board and the finance team.

Our IR policy ensures fair and open communications with all our stakeholders. We ensure that relevant and material information are disclosed in a clear, concise and consistent manner in accordance with the Listing Manual Section B: Rules of Catalist of Singapore Exchange Securities Trading Limted ("SGX-ST") ("Catalist Rules") and the Securities and Futures Act.

All announcements are released via SGXNET and it includes the half-year and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, announcements on acquisitions and other major developments.

Price sensitive information to shareholders is publicly released on an immediate basis where required under the Catalist Rules. All shareholders will receive the annual report, which would also be made available on the SGXNET.

This year, we had revamped our website to give it a new contemporary look with more vibrant images. The website has also been infused with videos of the Company's business profile.

We maintain our corporate website vigilantly and update regularly to ensure investors keep abreast with the latest developments of our company.

We have continuously improved on the presentation and contents of the annual reports so as to provide readers a better understanding of the Group.

#### **DIVIDEND POLICY**

We do not have a formal dividend policy. The form, frequency and amount of any proposed dividend will take into consideration of the Group's operating results, financial position, committed capital requirements and any other relevant considerations the Board of Directors may deem appropriate in the best interest of the company.

### STAKEHOLDERS ENGAGEMENT

In keeping with the proactive investor and media relations approach, Libra Group Limited engages financial analysts, existing and potential investors, and shareholders through multiple channels. Key executives are present at such engagements to keep the stakeholders informed of Libra Group Limited's financial performance and to discuss its business strategies and outlook.

In FY2015, the Company held 2 analyst briefings, where management was present to share the latest developments of the company and addressed their queries. Currently, Libra Group Limited is covered by OCBC Investment Research and RHB Research.

The Annual General Meeting ("AGM") is another platform for the management to communicate with stakeholders.

The management has also been profiled with the media and the company has been featured by various print and online media.

### INVESTOR RELATIONS AND FINANCIAL CALENDAR



### 02/15 FEBRUARY

Announcement of the financial year ended 31 December 2014 Full Year Results

Analysts Briefing

### 04/15 APRIL

Annual General Meeting

### 08/15 AUGUST

Announcement of the financial year ended 31 December 2015 Half Year Results

### INVESTOR RELATIONS CONTACT



### WATERBROOKS CONSULTANTS PTE LTD

### MR WAYNE KOO KIM HENG

**MS JEAN YANG SOOK CHIN** EMAIL: jean@waterbrooks.com.sg

TEL: +65 6100 2228



02/16 FEBRUARY

Announcement of the financial year ended 31 December 2015 Full Year Results

Analysts Briefing

04/16 APRIL

Annual General Meeting

08/16 AUGUST

Announcement of the financial year ended 31 December 2016 Half Year Results



**EMAIL:** wayne.koo@waterbrooks.com.sg

### SUSTAINABILITY REPORT WORKPLACE, SAFETY AND HEALTH



<sup>FY2015</sup>

hours INVESTED IN SAFETY TRAINING AND ANNUAL SAFETY SYSTEM REVIEW

#### BUILDING WORKPLACE HEALTH, SAFETY AND ENVIRONMENTAL AWARENESS

Libra Group Limited ("Libra") is committed in embracing best practices in Workplace, Health and Safety ("WSH") and environmental systems within the Libra Group Limited, together with its subsidiaries (the "Group"). We are guided by the steadfast commitment to our employees for a safe working environment which they can work and excel in safely with full confidence.

The Group has adhered fully to the WSH requirements as set by Workplace Health and Safety Council of Singapore ("WSHC") and Ministry of Manpower. We have rigorously put in place not only the safety measures, but also the risk management guidelines for Workplace Safety and Health Hazards in Construction and Landscape Industries.

Moreover, we have adopted local as well as international WSH system and practices for our Group. We have attained bizSafe certifications for our divisions. At the same time, Libra has adopted ISO 9001 and OHSAS 18001 system across our Group. We have implemented regular safety training and annual safety system review for all our operation sites. In 2015 alone, we have invested 3182 training hours for our staff throughout the year.

Environmental, health and safety issues are key priorities in the Group's overall business management. The management team sets a strong foundation by providing clear direction within the organisation of the value of an effective occupational health and safety management approach to foster risk-free and environmentally-friendly premises.

We have also incorporated the WSH safety standards within our business practices. Beyond Libra's own business operations, we have also implemented specifications on safety requirements and standards in the vendor selection process for all our projects. In our development and enhancement activities, we ensure to work with qualified contractors and hold them responsible for the management of the required health and safety standards. Our sub-contractors are required to submit risk assessments and safety work procedures prior to the commencement of the project works.

#### PROMOTING A SAFETY CULTURE

The Group remains committed to inculcate and thereafter achieve a strong and sound safety culture by instilling a positive mindset among our employees that encourages responsibility towards oneself and one's co-workers. Safety management starts from the project planning stage and will be practised throughout the various stages of design, construction and management until the completion of the projects. By being good role models, our management staff have instilled and championed for a strong safety culture within the Group.

Over the past years, our comprehensive construction safety programme has evolved and the principles and processes behind this programme have also been fine-tuned.

Some of the improvements include:

- Field regular safety audits at construction worksites.
- Risk assessment procedures to identify among other things, situations and processes that may potentially cause injury to staff. After identification, we will evaluate the likelihood of the risk and the severity of its impact, and then determine the preventive measures to put in place.

responsible way and contribute positively to the communities in which it operates. At the operational level, there are key initiatives on energy conservation and efficiency implemented company-wide, such as switching-off lights and air-conditioners when the premises are not in use. Water conservation as well as reduce, reuse, recycle of waste, are also practised in worksites and office premises.





# PROMOTING ENVIRONMENTAL CONSCIOUSNESS

To reduce environmental hazards and be environmentally friendly, Libra seeks to carry out its daily business operation in a socially responsible way and contribute positively to the communities in which it operates.

### SUSTAINABILITY REPORT HUMAN CAPITAL

PIVOTAL TO OUR SUCCESS IS OUR PEOPLE PERFORMING AT THEIR BEST. WE VALUE THE VITAL CONTRIBUTION BY EVERY EMPLOYEE ACROSS ALL LEVELS TOWARDS SUSTAINING LIBRA GROUP LIMITED'S ("LIBRA") LONG TERM SUCCESS.

> We implement human resources policies and staff engagement programmes that aim to help employees build long-term, fulfilling careers with Libra.

Libra advocates the policy of harnessing diversity in human resource. We tapped on the talent pool from more than 6 nationalities to support our businesses in Singapore.

### NATIONALITIES



	Staff Strength
<ul> <li>Singaporean</li> </ul>	43
<ul> <li>Malaysian</li> </ul>	71
<ul> <li>Bangladeshi</li> </ul>	167
<ul> <li>Indian</li> </ul>	228
<ul> <li>Myanmarese</li> </ul>	26
• PRC	86
<ul> <li>Others</li> </ul>	12
Total	633

We also maintain a policy of employee diversity through providing equal employment opportunities to young and older workers alike. Over 53% of our workforce are around 30 year old while, 45% are between the age 31 to 50 year old.

### STAFF AGE GROUP



In terms of employee skills profile, we have maintained a fair proportion of professional and management team to lead and drive the business growth in our three business segments.

### HUMAN TALENT SKILLS PROFILE



Libra employs a merit-based approach in our annual performance appraisal process, rewarding our staff on the basis of contribution, abilities and experience, regardless of age, gender, race, or nationality.

Our staff also enjoy attractive remuneration packages with benefits and a bonus scheme designed to enhance overall job satisfaction, morale and motivation.

We are committed to recruit and groom staff to meet our business expansion. We have recruited aggressively over the past few years as reflected in the dynamic workforce we have nurtured.

> Numbe Total tra Total tra Average employ

LIBRA GROUP LIMITED • ANNUAL REPORT 2015



### **DEVELOPING HUMAN CAPITAL** The training roadmap for our employees comprises induction, on-the-job training and strategic skills development roadmap.

In line with the organisation's strategic objectives as well as the individual's areas of responsibility and growth track, staff are identified to undergo personal, professional as well as technical training courses.

Training and development not only ensure staff are adequately equipped to perform their functional roles, but also raise their overall competencies and productivity levels, and prepare them to serve in larger capacities in the future. We are committed to invest in the training and further education of our staff as seen in the high average training hours of 17 hours per employee per year.

### **Employee Training Records**

	2015
er of employees trained	286
aining expenses	\$138,356
aining hours	4,881 hours
e training hours per	17 hours
/ee	

### SUSTAINABILITY REPORT HUMAN CAPITAL



### FINANCIAL CONTENTS

61	Corporate	Governance	Report
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- 80 Directors' Statement
- 83 Independent Auditor's Report
- 84 Consolidated Statement of Comprehensive Income
- 85 Balance Sheets
- 86 Statements of Changes in Equity
- 89 Consolidated Cash Flows Statement
- 90 Notes to the Financial Statements
- 134 Shareholders' Information
- 136 Notice of Annual General Meeting Proxy Form