LIBRA GROUP LIMITED

Delivering **New Growth**

Annual Report 2014

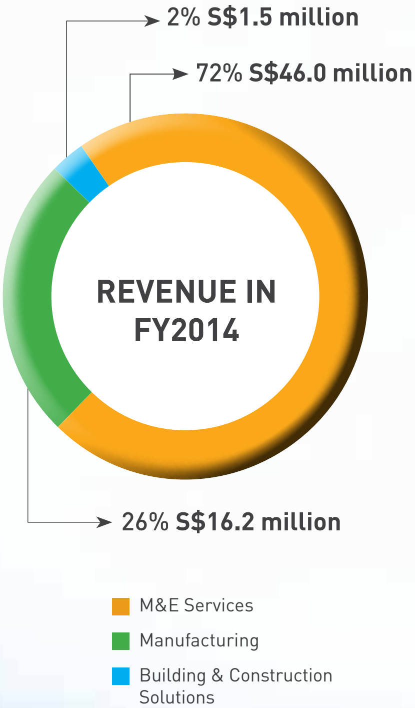
CONTENTS

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.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Associate Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.

KEY FINANCIAL HIGHLIGHTS



Revenue
S$63.7 million

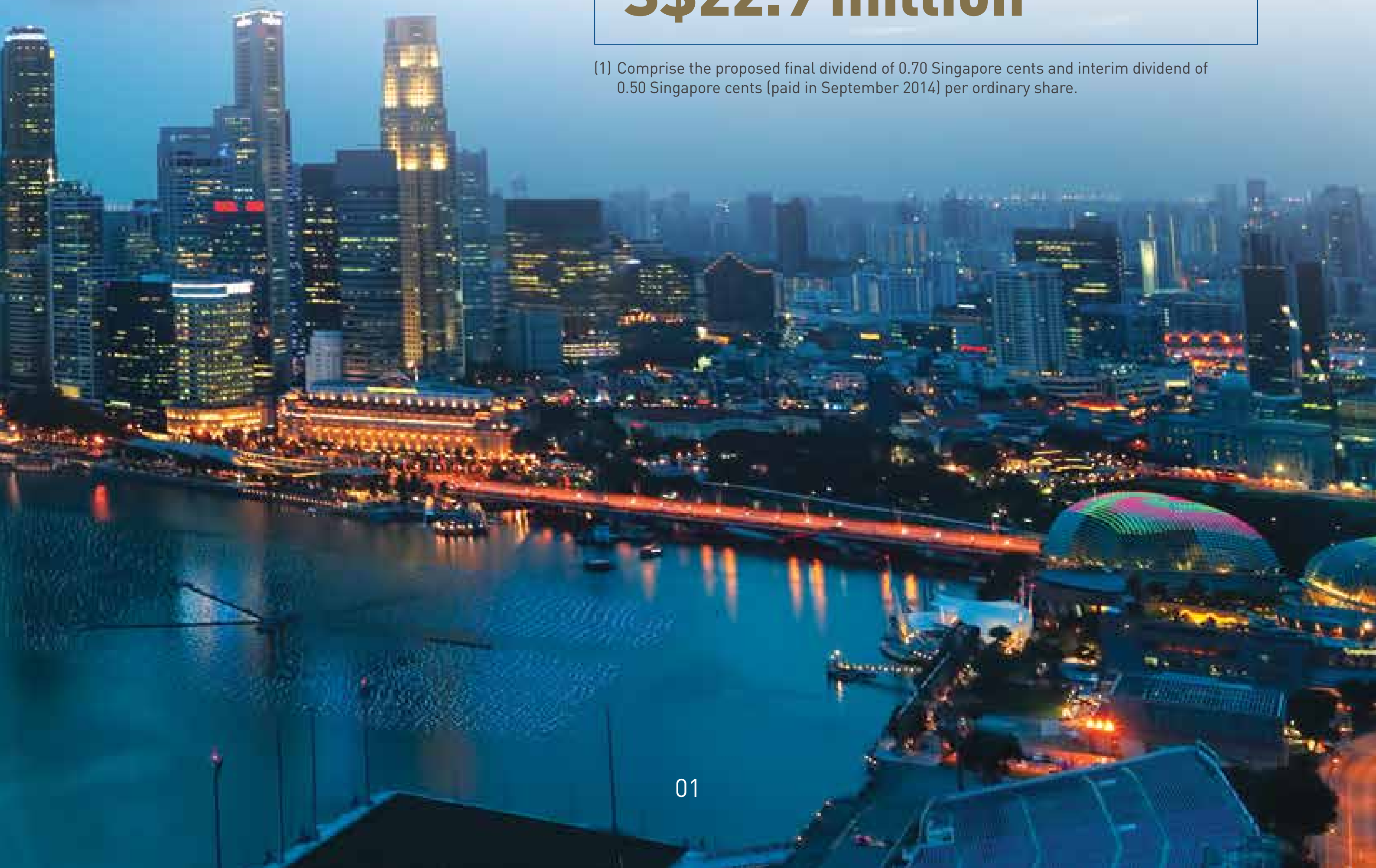
Net Profit
Attributable to Shareholders
S$5.3 million

Total Dividends Per Share[1]
1.2 Singapore cents

Return on Equity
29.9%

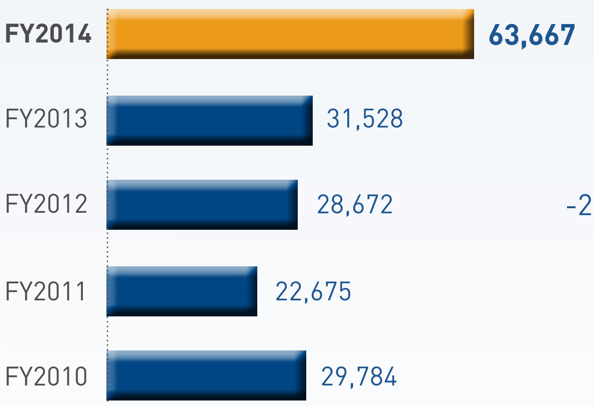
Market Capitalisation
as at 31 December 2014
S$22.9 million

(1) Comprise the proposed final dividend of 0.70 Singapore cents and interim dividend of 0.50 Singapore cents (paid in September 2014) per ordinary share.

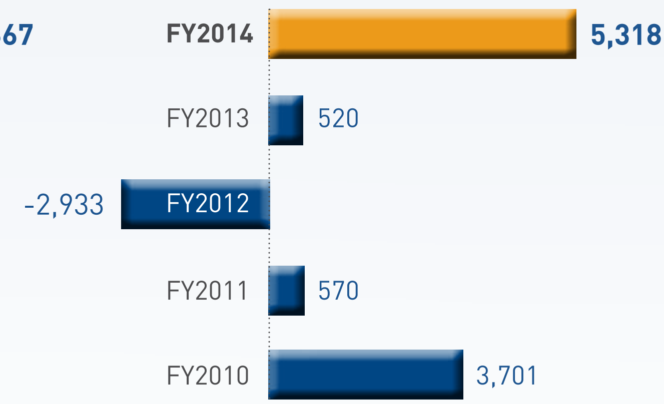


5 YEAR FINANCIAL HIGHLIGHTS

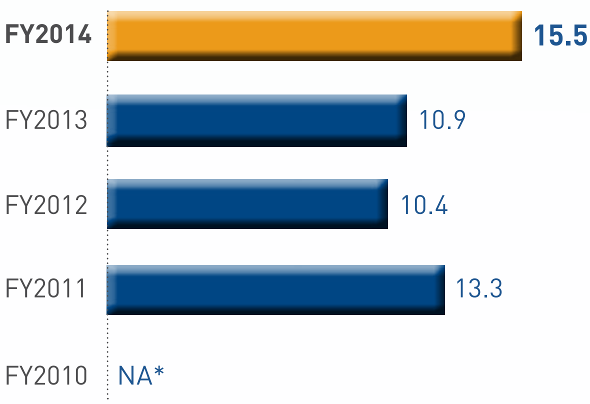
REVENUE
(S$'000)



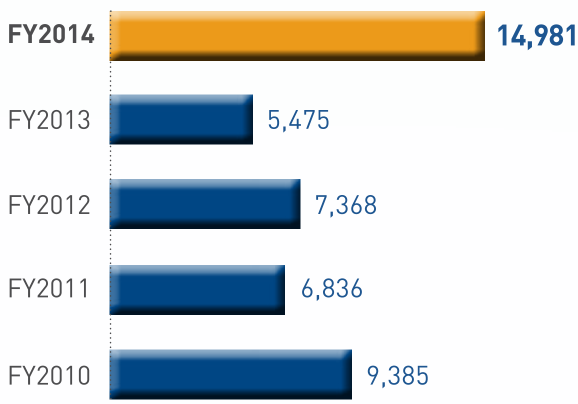
NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS
(S$'000)



NET ASSET PER SHARE
(SINGAPORE CENTS)



GROSS PROFIT
(S$'000)



* The Company was listed on 15 November 2011 on the Catalist board of the Singapore Exchange Securities Trading Limited.

NA – Not applicable

CORPORATE PROFILE

Libra Group Limited ("Libra" and together with its subsidiaries, the "Group") 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 air-conditioning 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 customized 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 one of the largest manufacturers of customised ACMV ducts in Singapore.

The building and construction solutions business is a new addition to the Group after the acquisition of a 51% stake in BCA licensed C1 main contractor Ai-Build Pte Ltd in 2013 and the remaining 49% stake in 2014. Ai-Build Pte Ltd is now known as Libra Building Construction Pte Ltd.

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

CORPORATE PROFILE

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

Libra Group Limited (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 1997.

Over the last decade, Kin Xin Engineering has expanded its business to include additional M&E services, including 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 residential, commercial and industrial buildings in Singapore. The wide range of services allows us to provide comprehensive one-stop services for our customers.

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 an unlimited amount of public government projects from a tendering limit of S$14 million previously.

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.

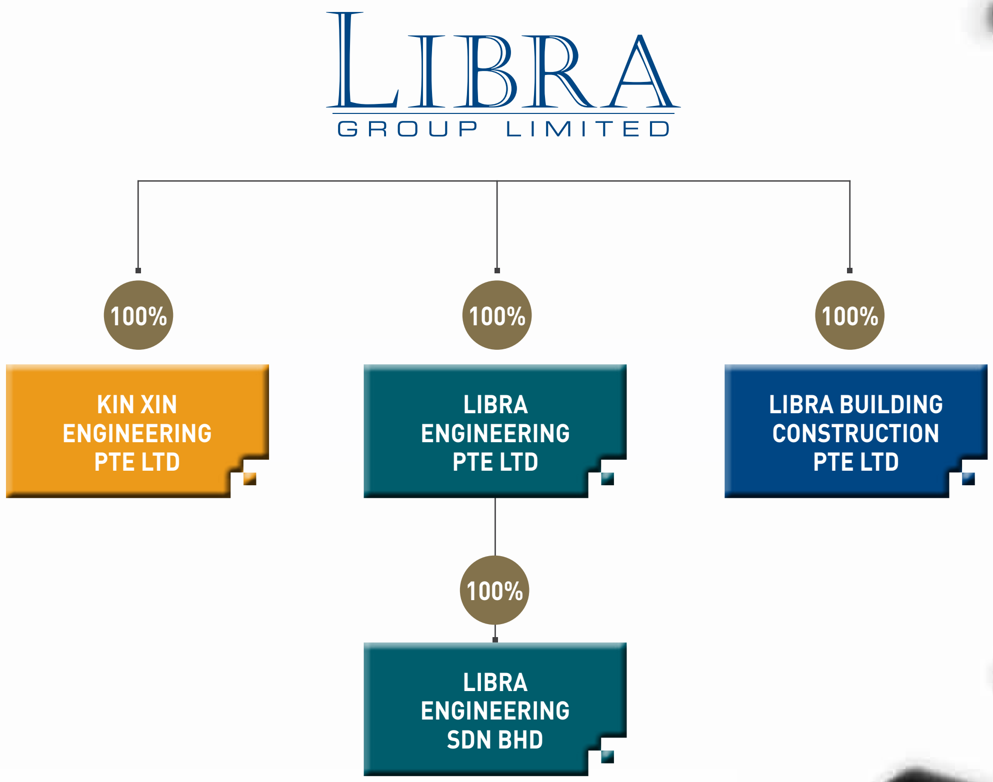
The Company remains focused on ensuring high product quality and reliable customer deliveries. Our manufacturing segment complements our M&E services segment, giving us a competitive edge. The Company is ISO 9001:2008 and bizSAFE certified, underlining our unwavering commitment to quality, workplace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

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

BUILDING AND CONSTRUCTION SOLUTIONS

Our Company, through its subsidiary Libra Building Construction Pte Ltd, undertakes to provide total building and construction solutions. Libra Building Construction Pte Ltd (formerly known as Ai-Build Pte Ltd), a BCA licensed C1 main contractor, is now a wholly-owned subsidiary, following the acquisition of an initial 51% stake in 2013 and the remaining 49% stake in May 2014.

CORPORATE STRUCTURE



Chu Sau Ben
Executive Chairman and
Chief Executive Officer

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

> "Geared up for sustainable growth, Libra is ready for the **new opportunities and challenges which the future holds.**"

Dear Shareholders

For the financial year ended 31 December 2014 ("FY2014"), Libra Group Limited ("Libra") delivered record revenue and profits amid a challenging environment due to rising costs and intense competition. Revenue grew by 102% to S$63.7 million while net profit attributable to shareholders surged by 922% to S$5.3 million. Our return on equity was 29.9%, up from 4.8% a year ago.

In view of our strong financial performance in FY2014, Libra had declared and paid an interim dividend of 0.50 Singapore cents and had recommended a final dividend of 0.70 Singapore cents per ordinary share, bringing the full-year dividend payout to 1.2 Singapore cents. We are also pleased to note that Libra's share price had performed strongly in 2014, almost doubling for the year, outperforming the 6.0% rise in the FTSE Straits Times Index over the same period.

EMBRACING A GROWTH STRATEGY

We have successfully embraced a growth strategy in transforming the Group into an integrated building and construction solutions provider with the addition of a new building and construction solutions segment in FY2014.

Since May 2014, Libra owned 100% of Libra Building Construction Pte Ltd (formerly known as Ai-Build Pte Ltd), a Building and Construction Authority ("BCA") licensed C1 main contractor, after acquiring the remaining 49% stake in the company. Libra first acquired a 51% stake in the company in 2013.

In FY2014, the Mechanical and Electrical Engineering ("M&E") segment and Manufacturing segment remained the major revenue contributors at 72% and 26% respectively while the Building and Construction Solutions segment contributed to 2% of total revenue.

The backlog orders stood at S$57.7 million as at 31 December 2014. In 2014, our on-going projects progressed well as scheduled and these included residential development works at Canberra Drive/Yishun Avenue 7, Spottiswoode Park Road, Serangoon Avenue 3, Woodgrove Avenue and Amber Road. Recently secured works at Bedok South Avenue, and Jurong Gateway Road are also progressing well as scheduled. One of our government projects in Teaching Facilities at 21 Tampines Avenue 1 was completed on schedule in Q4 2014.

In early 2015, our M&E wholly-owned subsidiary, Kin Xin Engineering Pte Ltd ("Kin Xin Engineering"), successfully obtained an upgrade in its 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 an unlimited amount of public government projects from a tendering limit of S$14 million previously.

We have also successfully raised gross proceeds of S$3 million with the issuance of a total of 15 million new ordinary shares at S$0.20 per share in October 2014. With additional funds, the Group was able to support its growth plans.

During FY2014, we purchased a 38-year leasehold factory at 53 Loyang Drive for S$16 million. Currently, the factory is undergoing upgrading works and is scheduled for completion in Q2 2016. We are optimistic that the new building will set the stage for our continued expansion and growth in the near future.

We have also grown in staff strength by approximately 25% and strengthened our management team in our subsidiaries to gear us up for new growth opportunities. On 1 August 2014, Mr Xu Rui Bing took over as General Manager of Kin Xin Engineering from Mr Deng Rong, who has been promoted to the position of Deputy Managing Director of Kin Xin Engineering. I am also pleased to welcome Mr Du Yijun, who was appointed as Assistant General Manager of Libra Building Construction Pte

EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER'S STATEMENT

Regionally, we are looking to **expand into emerging growth markets**, while consolidating our footprint in Singapore.

Ltd on 15 November 2014. With a strong team in place, we are confident of bringing Libra to greater heights.

BUSINESS OUTLOOK

We believe the overall construction industry remains healthy, amid prevailing industry challenges. Based on the advance estimates announced by the Ministry of Trade and Industry on 2 January 2015, the Singapore economy grew by 1.5% on a year-on-year basis in the fourth quarter of 2014, compared to 2.8% in the previous quarter. On a quarter-on-quarter seasonally-adjusted annualised basis, the economy expanded by 1.6%, slower than the 3.1% expansion in the previous quarter. The construction sector grew by 0.8% on a year-on-year basis, moderating from the 1.3% growth in the previous quarter. Growth was supported mainly by public sector construction activities. On a quarter-on-quarter basis, the sector expanded at an annualised rate of 8.0%, an improvement from the 0.1% expansion in the previous quarter.[1]

Construction demand is expected to remain resilient in 2015. The BCA expects construction contracts for the built environment sector to reach between S$29 billion and S$36 billion in 2015, given a sustained pipeline of public sector projects. The BCA expects public sector projects to account for an estimated 60% or S$18 billion to S$21 billion of total construction demand.[2]

However, in view of increasing competition and an expected increase in labour costs due to foreign worker shortages, we believe the business environment continues to be challenging in the next 12 months.

OUR STRATEGY

The Group will continue to focus on its core business by leveraging on its strong track record in building construction and to secure more projects as well as enhance its cost effectiveness and efficiency optimisation in the management of on-going projects.

We believe that our strong track record puts us in good stead to secure more projects in the current year. With the integration of Libra Building Construction Pte Ltd in 2014, we are also targeting to secure larger projects.

The Group will also be seeking merger and acquisition opportunities to enhance our competitive edge and company strength. Regionally, we are looking to expand into emerging growth markets, while consolidating our footprint in Singapore.

ENGAGING OUR STAKEHOLDERS

During the year, we had stepped up on our investor relations activities to engage analysts, the media and the investment community to improve stakeholders' understanding of our businesses and keep them up-to-date with the latest developments in the Company. This includes conducting analyst briefings in groups as well as in one-to-one meetings, conducting interviews with the media and participating in a seminar for trading representatives. Libra is committed to engaging and communicating with our stakeholders in a timely and transparent manner.

NOTE OF APPRECIATION

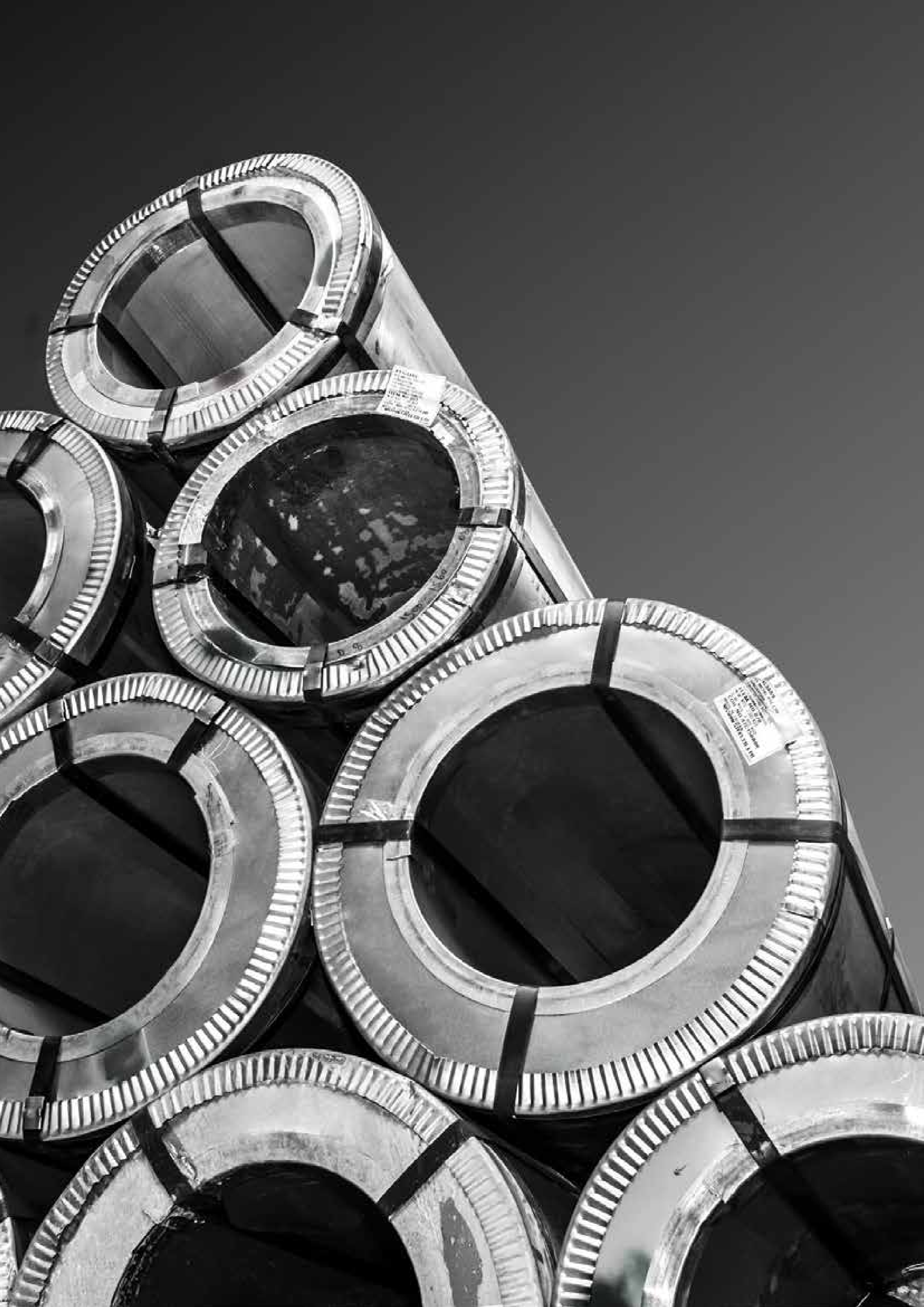
On behalf of the Board, I would like to express my deepest appreciation to all stakeholders who have been instrumental in Libra's success over the past years – customers, business associates, management team, employees and shareholders.

Geared up for sustainable growth, Libra is ready for the new opportunities and challenges which the future holds. With the addition of the building and construction solutions segment, Libra is well positioned as an integrated building solutions provider to tap on the opportunities in Singapore and beyond.

Chu Sau Ben
Executive Chairman and
Chief Executive Officer

[1] *Ministry of Trade and Industry, Press Release "Singapore's GDP Grew by 1.5 Per Cent in Fourth Quarter of 2014" dated 2 January 2015*

[2] *Building and Construction Authority, Media Release "Public Sector Projects To Sustain Construction Demand in 2015" dated 8 January 2015*



主席兼执行总裁致词

尊敬的各位股东：

在截至2014年12月31日的财政年度(“2014财年”)，尽管面对成本上升、竞争加剧的巨大挑战，天枰集团(“LIBRA”)的营业额和利润仍双双打破记录：营业额实现了102%的增长，达到6,370万新元；应归股东净利则激增了922%，达到530万新元。本公司的股本回报率则从一年前4.8%飙升至29.9%。

鉴于本公司在2014财年的财务业绩表现强劲，LIBRA已派发0.50新分的中期股息，并建议派发每普通股0.70新分的末期股息，从而使全年股利派发额达到1.2新分。我们也强调，LIBRA的股价在2014年期间表现强劲，全年几乎翻番，上涨幅度超过同期富时海峡时报指数中6.0%的涨幅。

实践增长型战略

在2014财年，我们已将增长型战略成功地运用到实现集团朝向建筑施工解决方案集成供应商转型的过程中，同时增加了一项新的建筑与施工解决方案业务。

自2014年5月以来，在收购了作为新加坡建设局(“BCA”)特许C1主承包商的LIBRA建筑施工私人有限公司（原名为AI-BUILD私人有限公司）剩余49%股权之后，LIBRA实现了对这家公司100%的股权拥有。LIBRA先是在2013年收购了该公司51%的股权。

在2014财年期间，机电工程(“M & E”)业务和制造业务仍是本公司的主要营收来源，其贡献比例分别为72%和26%；建筑和施工解决方案业务在总营收中所占比例仅为2%。

截至2014年12月31日，公司已获得订单总额达到5,770万新元。2014年期间，我们的在建项目均如期进展顺利，它们包括位于坎贝拉通道/义顺7道、史卜迪士公园路、实龙岗3道、伍德格鲁夫大道以及安珀路的多个住宅开发工程。位于勿洛南道和裕廊商业区路的近期中标工程项目也正如期顺利展开。本公司承揽的政府公共项目之一，即位于淡滨尼1道21号的教学设施，已于2014年第4季度如期竣工。

在2015年初，本公司旗下全资机电子公司金鑫工程有限公司（“KIN XIN工程公司”）在空调、（冷冻）和通风工程（业务类别：ME01）以及集成建筑服务（业务类别：ME15）等方面的资质等级，由新加坡建设局规定的L5（级）成功晋升至L6级。

此次晋升使KIN XIN工程私人公司得以突破以往1,400万新元的投标限额，从而无限额地投标任何政府公共项目。

此外，我们也于2014年10月通过以每股0.20新元的价格发行1,500万新普通股的方式，成功募集到300万新元的总收益。额外的资金使本集团能够支持其增长计划。2014财年期间，我们斥资

1,600万新元，收购了位于罗央通道53号租期为38年的工厂。目前，该工厂正在进行改良，预计2016年第2季度完工。我们乐观地认为，这幢新建筑将在不久的将来，为实现公司的持续扩张和发展打好基础。

与此同时，本公司的员工实力也提高了大约25%，旗下子公司的管理团队亦得以加强，以为迎接新的增长机会做好充分准备。2014年8月1日，徐瑞冰先生接任KINXIN工程公司的总经理一职，原总经理邓荣先生则被擢升为KINXIN工程公司副董事经理。我也很高兴地欢迎杜毅军先生于2014年11月15日就任LIBRA建筑施工私人有限公司助理总经理。至此，本公司的强大工作团队已落实到位，我们有信心引领LIBRA再创辉煌。

业务展望

我们认为，尽管建筑行业现在充满各种挑战，但其总体状况仍保持健康发展势头。根据贸工部2015年1月2日发布的先期预测，2014年第4季度的新加坡经济按年同比增长1.5%，而前个季度增幅则为2.8%。如果按季度（剔除季节性因素）调整后的年增长率计算，则新加坡经济的增幅仅为1.6%，低于前一季度3.1%的增幅。建筑业按年同比增长0.8%，低于前一季度的1.3%。增长主要得益于公共部门建筑活动的支撑。如按季度计算，建筑部门的年度增长率为8.0%，比前一季度略增0.1%。[1]

2015年的建设需求预计将保持强劲。新加坡建设局预计，在公共部门项目持续增长的情况下，2015年涉及建成环境部门的建筑合同总额，将介于2,900万至3,600万新元之间。根据新加坡建设局的预测，公共部门项目将约占总建筑需求的60%，达180亿至210亿新元。[2]

不过，鉴于竞争加剧以及因外劳短缺造成劳工成本增加，我们认为，未来12个月内的经营环境仍将充满挑战。

增长策略

本集团将通过利用其在建筑施工业务中积累的骄人业绩记录，继续专注于其核心业务，以期获得更多的项目，并提高在建项目管理的成本效益和效率优化。

我们相信，凭借以往的骄人业绩，我们将能在今年赢获得更多的项目，而有了LIBRA建筑施工私人有限公司的整合，我们还将有的放矢，争取获得更大的项目。

此外，本集团还将继续寻求各种并购机会，以提高竞争力和企业实力。就区域而言，我们正在寻求进军新兴的成长型市场与稳固我们在新加坡的市场。

加强外界关系活动

在过去的一年里，我们加强了各种投资者关系活动，以吸引分析师、媒体和投资界参与进来，提升利益相关者对本公司业务的了解，并使他们知晓本公司的最新发展情况。这些活动包括：以小组为单位进行分析师交流、一对一会面、媒体采访、参加针对商务代表的研讨会。LIBRA致力于以及时、透明的方式，与各个利益相关者展开沟通。

鸣谢

我谨代表董事会，对在过去几年中协助LIBRA取得成功的合作伙伴，包括我们的客户、业务伙伴、管理团队、员工及股东深表谢意！

LIBRA已为可持续增长做好准备，并随时准备应对未来出现的各种新的机遇和挑战。由于增加了建筑与施工解决方案业务，LIBRA作为建筑施工解决方案集成供应商，将准备发掘新加坡和区域性的各种商机，在新的一年中再造辉煌。

朱振铭
主席兼执行总裁

---

[1] *贸工部2015年1月2日发布的新闻稿显示："2014年第4季度，新加坡GDP实现1.5%的增长"。*

[2] *新加坡建设局于2015年1月8日发布的资料显示："公共部门项目拟维持2015年的建设需求"。*

FINANCIAL AND OPERATING REVIEW

Libra Group Limited ("Libra" and together with its subsidiaries, the "Group") delivered a strong financial performance in the financial year ended 31 December 2014 ("FY2014") powered by growth in the mechanical and electrical engineering ("M&E") services and the manufacturing segments, as well as the maiden revenue contribution from the building and construction solutions segment.

In FY2014, revenue and net profit attributable to shareholders surged 102% and 922% to S$63.7 million and S$5.3 million respectively.

Libra delivered this robust performance despite stiff competition and rising cost pressures. Gross margin improved to 23.5% in FY2014 from 17.4% in FY2013 as improved project execution and productivity in the M&E segment helped to offset weaker margins in the manufacturing segment and initial losses recorded by the building and construction solutions segment.

Our expansion was supported by healthy operating cash flow and a strong balance sheet. As at 31 December 2014, the Group had net assets of S$17.8 million, translating into a net asset value per share of 15.52 Singapore cents, up from 10.89 Singapore cents as at 31 December 2013.

Cash and cash equivalents increased to S$10.4 million as at 31 December 2014 from S$3.4 million as at 31 December 2013. This was mainly due to positive net cash flows generated from operating activities of S$4.3 million and net cash generated from financing activities of S$20.7 million mainly from bank loans and borrowings as well as the issuance of new ordinary shares pursuant to the placement in October 2014. These helped to offset the net cash used in investing activities of S$18.0 million mainly attributable to the purchase of a factory at 53 Loyang Drive.

During FY2014, the Group won contracts from both the public and private sector, which resulted in backlog orders of S$57.7 million as at 31 December 2014. This represents 1.8 times of our FY2013 revenue. Even as the

Group took on more contracts, we kept a tight control over costs, striving to improve productivity and maximise synergies.

The robust financial performance in FY2014 has provided a strong momentum that will propel us as we head into FY2015.

MECHANICAL AND ELECTRICAL ENGINEERING (M&E) SERVICES

Libra has built a strong track record in the provision of M&E services since 1997. Through its wholly-owned subsidiary Kin Xin Engineering Pte Ltd ("Kin Xin Engineering"), Libra offers a wide range of M&E services, including the manufacture, supply and installation of air-conditioning and mechanical ventilation ducts ("ACMV") systems, fire alarms and fire protection systems, electrical systems as well as sanitary and plumbing systems for residential, commercial and industrial buildings in Singapore.

In FY2014, several public projects were secured, including a number of notable projects such as:

(i) S$4.1 million sub-contract for works in relation to certain electrical, ACMV system, building management system, and lab equipment for proposed additions and alterations involving the new erection of a 4-storey teaching facilities building (Block 8A) at Temasek Polytechnic at 21 Tampines Avenue 1 from Builder 90 Pte. Ltd;

(ii) S$13.8 million sub-contract for the supply, delivery, installation, testing, commissioning and maintenance of ACMV for a proposed development of an 8-storey teaching facilities building at Temasek Polytechnic (located at 21 Tampines Avenue 1) from the main contractor, Koon Seng Construction Pte. Ltd; and

(iii) S$9.9 million contract for M&E works in relation to certain ACMV installation, electrical installation, fire protection installation and piped services installation from the Ministry of National Development.

With more contracts secured, revenue from the M&E segment increased by 162% to S$46 million, contributing to 72% of total revenue in FY2014. The M&E segment saw a notable improvement in gross margin to 23% in FY2014 from 9% in FY2013 amid rising cost pressures as the Group's efforts to raise productivity and improve project execution paid off.

Kin Xin Engineering is now able to bid for higher value projects after it 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) in early 2015. The upgrade will allow Kin Xin Engineering to tender for an unlimited amount of public government projects.

MANUFACTURING

Libra is one of the largest manufacturers of ACMV ducts and accessories in Singapore. Through its wholly-owned subsidiary Libra Engineering Pte Ltd, Libra 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

FINANCIAL AND OPERATING REVIEW

contractors and sub-contractors in the construction industry.

The Group's focus on high product quality and reliable customer delivery has allowed it to build a strong reputation as a service-oriented and reliable solution provider, which is ISO 9001:2008 and bizSAFE Level 3 certified, underlining its commitment to quality, workplace safety and health.

During FY2014, our factory enjoyed full utilisation rate on strong sales volume. Revenue in the manufacturing segment grew 16% to S$16.2 million, contributing to 26% of total revenue in FY2014. This was achieved due to our emphasis on research and development and building our brand equity. We also started to step up our penetration into coil trading in the second half of FY2014, which helped to boost sales. Gross margin dipped to 18.4% in FY2014 from 21.0% in FY2013 on rising foreign worker levy and wages and more competitive pricing contracts as the Group strived to gain market share.

Moving forward, we believe our investments in machinery and new technologies to counter rising labour costs and ease margin pressure will pay off in the long run. We will seek to increase our market share via competitive pricing and a strong product line-up.

BUILDING AND CONSTRUCTION SOLUTIONS

Libra offers building and construction solutions via its wholly-owned subsidiary Libra Building Construction Pte Ltd ("Libra Building Construction"). As a BCA licensed C1 main contractor, Libra Building Construction can tender for public projects of up to S$4.2 million.

This segment is a new addition to Libra after the Group acquired a 51% stake in Libra Building Construction (formerly known as Ai-Build Pte Ltd) in May 2013 and the remaining 49% stake in May 2014.

In FY2014, the building and construction solutions segment made its maiden revenue contribution of S$1.46 million, accounting for 2% of total revenue. A gross loss of S$206,000 was incurred in FY2014 due to initial start-up loss comprising mainly direct staff cost.

This new segment has enabled the Group to offer integrated building solutions, thus strengthening our competitive edge for the future.

NEW FACTORY AT 53 LOYANG DRIVE

Our newly-acquired leasehold factory spans a land area of 65,061 square feet and a build-in area of approximately 86,021 square feet.

The new factory is strategically located at 53 Loyang Drive, in an area specifically allocated for industrial usage with established infrastructure, facilities and amenities located nearby. It is accessible to other parts of the island via Tampines Expressway.

Currently, the factory is undergoing upgrading works and is scheduled for completion in Q2 2016. Upon completion of the upgrading works the new factory is expected to house all divisions and support our growing operations under one roof.

The current lease with JTC ends in 2052.

Disclaimer

The visual representations and illustrations are intended to portray only artist's impressions of the development. All information, plans and visual representations are subject to change.

BOARD OF DIRECTORS

1 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.

2 ALEX CHUA SIONG KIAT

Executive Director and Chief Financial Officer

Mr Chua was appointed to the Board as an Executive Director on 18 November 2013. He joined Libra Group Limited as Chief Financial Officer on 1 July 2013. In addition to supporting the Executive Chairman/Chief Executive Officer in charting the Group's business strategies, he is responsible for the financial and corporate functions of the Group, including finance, compliance and investor relations.

Prior to joining the Group, Mr Chua was the director of finance & control, Asia Ex-China region at Imtech Marine B.V. He also served as interim co-managing director and acting human resource director during that period. Mr Chua has over 20 years of international working experience in finance, accounting, business administration, corporate strategy and governance, having been based in London, Beijing, Ho Chi Minh City and Singapore.

Mr Chua is a Fellow of Chartered Certified Accountant (FCCA, UK), Certified Internal Auditor (CIA, USA), Chartered Accountant of Singapore (CA Singapore) and a member of the Singapore Institute of Directors (SID). He holds a Master of Business

Administration (MBA, DIC) from London Imperial College Business School.

3 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 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 Main Board 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.

Mr Yuen has in total more than 36 years of broad-based 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 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.

4 ENG MENG LEONG

Independent Director

Mr Eng was appointed to the Board on 4 October 2011. Mr Eng currently chairs the Nominating Committee and is a member of the Remuneration Committee and Audit Committee.

Mr Eng is also an independent director of 3Cnergy Limited, which is listed on Catalist of the SGX-ST. In addition he is a director of Croesus Retail Asset Management Pte Ltd (CRAM) and Religare Health Trust Trustee Manager Pte Ltd (RHTTM). CRAM and RHTTM are the trustee managers of Croesus Retail Trust and Religare Health Trust respectively, both of which are business trusts listed on the SGX-ST. Previously, Mr Eng had served as an independent director of Kreuz Holdings Limited from June 2010 to March 2014.

Mr Eng has over 26 years of experience in the tax industry. He was previously an executive director of KPMG Tax Services Pte Ltd.

Mr Eng was admitted as an associated member of the Institute for Chartered Accountants of England and Wales in 1982. He is also a member of the Institute of Singapore Chartered Accountants. In 2011, he was admitted as an Accredited Tax Advisor by the Singapore Institute of Accredited Tax Professional Limited.

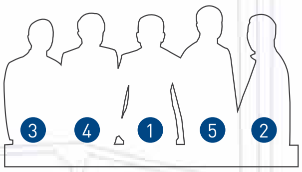
5 KONG CHEE KEONG

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.



1. CHU SAU BEN
2. ALEX CHUA SIONG KIAT
3. YUEN SOU WAI
4. ENG MENG LEONG
5. KONG CHEE KEONG

KEY MANAGEMENT

1 DENG RONG

Deputy Managing Director,
Kin Xin Engineering Pte Ltd

Mr Deng joined our subsidiary, Kin Xin Engineering Pte Ltd as General Manager on 10 May 2013. In his current position, Mr Deng's responsibilities include planning, strategizing and overseeing the operations of Kin Xin Engineering Pte Ltd.

Mr Deng has over 22 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 seven years.

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

2 XU RUIBING

General Manager,
Kin Xin Engineering Pte Ltd

Mr Xu joined the Group on 1 August 2014 as General Manager of Kin Xin Engineering Pte Ltd. Mr Xu is responsible for the day-to-day operations, process implementation, projects management, purchasing cost control, 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 a deputy managing director at Great Resources M&E Contractor Pte Ltd, where he took on various roles, including quantity surveyor, mechanical and electrical designer, project 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 at Katong.

Mr Xu has a Bachelor's Degree in Electrical Engineering from Northwestern Poly-Technological University, China.

3 DU YIJUN

Assistant General Manager,
Libra Building Construction Pte Ltd

Mr Du joined the Group on 15 November 2014 as Assistant General Manager of Libra Building Construction Pte Ltd. In his current position, 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 has close to 20 years of experience in civil and structural engineering. Prior to joining the Group, Mr Du was 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 technical manager at Englim-Ho Lee Joint Venture, which was awarded the Circle Line Stage 3 contract.

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.

4 JEAN CHU KEE YONG
Acting General Manager,
Libra Engineering Pte Ltd

Ms Chu, Acting General Manager of Libra Engineering Pte Ltd, joined the Group in 2005. She is primarily responsible for overseeing the operations of Libra Engineering Pte Ltd.

During her time with the Group, Ms Chu had gained broad-based experience in marketing, sales co-ordination, purchase of raw materials and machinery as well as operations management. Prior to joining the Group, Ms Chu had accumulated marketing and operation experience in the engineering and retail sectors.

5 KENNY NG TEK KOOI
Group Finance Manager,
Libra Group Limited

Mr. Ng is assisting the CFO of the Group in managing the overall financial, accounting, internal controls and tax matters. He is also responsible for financial and management reporting of the Group and the compliance with the regulations of the Singapore Exchange. He joined the Group in March 2014 and brings with him more than 10 years of experience in finance and accounting gained from various industries.

Prior to his current appointment, he served as the senior accountant in a Singapore Exchange Main Board listed company overseeing the Marine Division financial operations and statutory compliance matters for its local and overseas subsidiaries in India, Nigeria, Thailand, Australia, New Zealand, Brunei 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.

6 CHU FAI FONG
Group Credit Controller,
Libra Group Limited

Ms Chu was promoted to Group Credit Controller in December 2013. In her current role, Ms Chu's responsibilities include accounts receivables management, customers' credit analysis, evaluation and recommendation, as well as cash flow projections.

Prior to her current appointment, Ms Chu was with Kin Xin Engineering Pte Ltd since 1997, where she was responsible for accounting, administration and human resources functions.

7 DANIEL LOE
Group Contracts Manager,
Libra Group Limited

Mr Loe joined Libra Group on 13 January 2014 as Group Contracts Manager. In his current position, Mr Loe oversees the Group's legal and contractual matters, including debt recovery and collection.

Mr Loe brings with him over 20 years of experience of managing multi-million M&E projects such as Esplanade-Theatres on the Bay, Pontiac Marina project, Changi Terminal 1 Upgrading, Fusionopolis at 11, Ayer Rajah Avenue in his roles as the contracts manager, project manager, senior project manager, consultant project manager as well as project consultant.

Mr Loe holds a professional engineering degree from RMIT University, Melbourne, and is a professional member of the Institute of Arbitrators and Mediators, Australia as well as the Association of Professional Engineers, Scientists and Managers, Australia.

CORPORATE MILESTONES

1997
- Incorporation of Kin Xin Engineering Pte Ltd ("Kin Xin")
- Staff strength: 5

1998
- Kin Xin clinched ACMV insulation projects

2005
- Strengthening of management team and expansion of scope of services to include supply and installation of ACMV systems
- Incorporation of Libra Engineering Pte Ltd ("Libra Engineering") to undertake ACMV duct manufacturing

1997-98 | 2000-03 | 2005 | 2007 | 2008-09

2000 - 2003
- Awarded contracts to supply and install ACMV ductwork and refrigerant copper pipes

2007
- Awarded first contract to supply and install electrical system and fire alarm system, using insulated ducts manufactured by Libra Engineering

2008
- Awarded more contracts to supply and install ACMV, electrical and fire alarm systems
- Staff strength of nearly 200

2009
- Libra Engineering started trading ACMV related accessories
- Secured M&E projects for facilities at a large scale integrated resort

2010

2010
- Secured projects as a nominated sub-contractor
- Successfully acquired L5 grading in the ACMV works category and also in the integrated building services category

2011

2011
- Listed on the Catalist Board of the Singapore Exchange

2014

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

PORTFOLIO REVIEW

PRIVATE PROJECTS

1 Woodhaven Condominium (Electrical)

Project Description:
Proposed Condominium Housing Development Comprising Erection Of 4 Blocks Of 5-Storey Residential Housing (Total: 298 Units) And 39 Units Of 2 Storey Strata Terrace With A Basement Carpark And Ancillary Facilities On Lot 05870l Mk 13 at Woodgrove Avenue Singapore (Woodlands Planning Area)

Scope Of Works:
Electrical Services, Extra Low Voltage Systems

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 4,680,000

Client:
Tampines Court Pte Ltd

Owner:
Tampines Court Pte Ltd

2 One Canberra Executive Condominium (ACMV / Electrical)

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:
S$ 13,300,000

Client:
China Jingye Construction Engineering (S) Pte Ltd

Owner:
MCC Land (Singapore) Pte Ltd

3 Sea Horizon Executive Condominium (ACMV)

Project Description:
Proposed Erection Of 4 Blocks Of 10 Storey, 3 Blocks Of 11 Storey, 2 Blocks Of 12 Storey And 3 Blocks Of 13 Storey Executive Condominium (Total: 495 Units) With Environmental Deck, Car Park, Swimming Pool And Communal Facilities On Lot 4838k Mk 31 At Pasir Ris Drive 3 / Pasir Ris (Pasir Ris Planning Area)

Scope Of Works:
Air Conditioning System, Mechanical Ventilation System, Ductless System

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 4,500,000

Client:
China Jingye Construction Engineering (S) Pte Ltd

Owner:
Hao Yuan Development Pte Ltd

4 Skies Miltonia Condominium (Electrical)

Project Description:
Proposed Condominium Housing Development Comprising 8 Blocks Of 13-Storey With Penthouse And One Block Of 3-Storey Residential Building (Total: 420 Units) With Basement Carpark, Swimming Pool, Communal Facilities And Shops On Lot 3478k Mk19 At Yishun Ave1/ Miltonia Close (Yishun Planning Area)

Scope Of Works:
Electrical Services, Extra Low Voltage Systems

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 5,650,000

Client:
Lian Beng Construction Pte Ltd

Owner:
TG Master Pte Ltd

PORTFOLIO REVIEW

5 eCo Condominium, Bedok South Avenue 3 (ACMV)

Project Description:
Proposed Condominium Development Comprising 2 Blocks Of 12-Storey, 4 Blocks Of 15 Storey, 2 Blocks Of 16 Storey Apartment And 34 Units Of 3 Storey Strata Terraces (Total: 748 Units) With Commercial Shops, Podium Carparks, Swimming Pool, Clubhouse And Communal Facilities ("Eco") On Lot 10845c, Mk 27 At Bedok South Avenue 3 (Bedok Planning Area)

Scope Of Works:
Air Conditioning System, Mechanical Ventilation System, Ductless System

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 6,390,000

Client:
Eco Properties Pte Ltd

Owner:
Eco Properties Pte Ltd

6 Altez Condominium (Electrical)

Project Description:
Proposed Erection Of A Block Of 62-Storey Residential Apartment (Total: 280 Units) With Commercial Development At 1st Storey, 7-Storey Multi-Storey Carpark, Swimming Pool And Ancillary Facilities At Enggor Street On Lots 747m (Parcel A)

Scope Of Works:
Electrical Services, Extra Low Voltage Systems

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 4,180,000

Client:
Bishan Properties Pte Ltd

Owner:
Bishan Properties Pte Ltd

PUBLIC GOVERNMENT PROJECTS

7 The Santorini Condominium (ACMV)

Project Description:
Proposed Condominium Housing Development Comprising 8 Blocks Of 15 Storey Residential Unit With Swimming Pool, Ancillary Facilities On Landscape Deck And 2 Levels Of Basement Carpark (Total: 597 Units) On Lot 07157c Mk 28 At Tampines Avenue 10

Scope Of Works:
Air Conditioning System, Mechanical Ventilation System, Ductless System

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 5,350,000

Client:
China Jingye Construction Engineering (S) Pte Ltd

Owner:
MCC Land (Singapore) Pte Ltd

8 Nanyang Technological University (ACMV / Fire Protection)

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

PORTFOLIO REVIEW

PUBLIC GOVERNMENT PROJECTS

9 Temasek Polytechnic, East Wing (ACMV)

Project Description:
Proposed Additions And Alterations Involving New Erection Of An 8-Storey Teaching Facilities Building To Temasek Polytechnic On Lot06163c MK28 At 21 Tampines Avenue 1

Scope Of Works:
Air Conditioning System, Mechanical Ventilation System, Lab Control System, Building Automation System

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 13,770,000

Client:
Temasek Polytechnic

Owner:
Temasek Polytechnic

10 Ministry Of National Development Building (ACMV / Electrical / Fire Protection / Plumbing & Sanitary)

Project Description:
Proposed Additions And Alterations To 6th, 7th, 10-17th Storey Of The Existing 17-Storey Building With 3 Basements Comprising A 5-Storey Shopping Complex And A 12-Storey Office Tower On Lot 8460n Mukim 05 At Jurong Gateway Road/Boon Lay Way Jurong East (Planning Area)

Scope Of Works:
ACMV Services / Electrical Services / Fire Protection Services / Plumbing & Sanitary Services

Company Awarded:
Kin Xin Engineering Pte Ltd

Contract Value:
S$ 9,870,000

Client:
Ministry Of National Development

Owner:
Ministry Of National Development

CORPORATE INFORMATION

BOARD OF DIRECTORS
Chu Sau Ben
(Executive Chairman and Chief Executive Officer)

Chua Siong Kiat, Alex
(Executive Director and Chief Financial Officer)

Yuen Sou Wai (Lead Independent Director)

Eng Meng Leong (Independent Director)

Kong Chee Keong (Independent Director)

AUDIT COMMITTEE
Yuen Sou Wai (Chairman)

Eng Meng Leong

Kong Chee Keong

NOMINATING COMMITTEE
Eng Meng Leong (Chairman)

Yuen Sou Wai

Kong Chee Keong

REMUNERATION COMMITTEE
Kong Chee Keong (Chairman)

Yuen Sou Wai

Eng Meng Leong

COMPANY SECRETARY
Gwendolyn Gn Jong Yuh (LLB Hons)

REGISTERED OFFICE
101 Defu Lane 10
Singapore 539222
Tel : 6844 2683
Fax : 6844 4378
Website : www.libragroup.com.sg

COMPANY REGISTRATION NUMBER
201022364R

AUDITORS
Ernst & Young LLP
Public Accountants and Chartered Accountants
One Raffles Quay
North Tower, Level 18
Singapore 048583

Partner-in-charge: Philip Ng
(Date of appointment: since financial year ended 31 December 2013)

SPONSOR
PrimePartners Corporate Finance Pte. Ltd.
16 Collyer Quay
#10-00 Income at Raffles
Singapore 049318

SHARE REGISTRAR
Tricor Barbinder Share Registration Services
80 Robinson Road, #02-00
Singapore 068898

BANKERS
United Overseas Bank Limited
The Hong Kong and Shanghai Banking Corporation
Standard Chartered Bank
Malayan Banking Berhad
DBS Bank Limited

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "Board") of Libra Group Limited (the "Company" and together with its subsidiaries, the "Group") are committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This report outlines the Company's corporate governance practices that were in place during the financial year ended 31 December 2014 ("FY2014"), with specific reference made to the principles of the Code of Corporate Governance 2012 (the "Code") and the disclosure guide developed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") in January 2015 (the "Guide").

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">General</td><td>(a) Has the Company complied with all the principles and guidelines of the Code?</td><td>The Company has complied with the principles and guidelines as set out in the Code and the Guide, where applicable.</td></tr>
<tr><td>If not, please state the specific deviations and alternative corporate governance practices adopted by the Company in lieu of the recommendations in the Code.</td><td>Appropriate explanations have been provided in the relevant sections below where there are deviations from the Code and/or the Guide.</td></tr>
<tr><td>(b) In what respect do these alternative corporate governance practices achieve the objectives of the principles and conform to the guidelines of the Code?</td><td>Not applicable. The Company did not adopt any alternative corporate governance practices in FY2014.</td></tr>
<tr><td colspan="3">BOARD MATTERS
<u>The Board's Conduct of Affairs</u></td></tr>
<tr><td>1.1</td><td>What is the role of the Board?</td><td>The Board has 5 members and comprises the following:

Table 1.1 – Composition of the Board
<table>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td>Chu Sau Ben</td><td>Executive Chairman and Chief Executive Officer</td></tr>
<tr><td>Chua Siong Kiat, Alex</td><td>Executive Director and Chief Financial Officer ("CFO")</td></tr>
<tr><td>Yuen Sou Wai</td><td>Lead Independent Director</td></tr>
<tr><td>Eng Meng Leong</td><td>Independent Director</td></tr>
<tr><td>Kong Chee Keong</td><td>Independent Director</td></tr>
</table>
The Board is entrusted to lead and oversee the Company, with the fundamental principal to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are to:</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
• provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;
• establish a framework of prudent and effective controls which enables the identification, assessment and management of risks;
• review key management personnel's performance;
• set the Group's values and standards, and ensure that obligations to shareholders and other stakeholders are met;
• approve major investment funding and major increase/ decrease in a subsidiary company's capital;
• approve the nomination of Directors to the Board; and
• oversee the business conduct of the Company and assume responsibility for the Group's corporate governance.
</td></tr>
<tr><td>1.3</td><td>Has the Board delegated certain responsibilities to committees? If yes, please provide details.</td><td>
The Board has delegated certain responsibilities to the Audit Committee (the "AC"), the Remuneration Committee (the "RC"), the Nominating Committee (the "NC") (collectively, the "Board Committees") and the Risk Committee. The compositions of the Board Committees are as follows:

Table 1.3 – Composition of the Board Committees
<table>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Yuen Sou Wai</td><td>Eng Meng Leong</td><td>Kong Chee Keong</td></tr>
<tr><td>Member</td><td>Eng Meng Leong</td><td>Yuen Sou Wai</td><td>Eng Meng Leong</td></tr>
<tr><td>Member</td><td>Kong Chee Keong</td><td>Kong Chee Keong</td><td>Yuen Sou Wai</td></tr>
</table>
The Company had also formed the Risk Committee in November 2012 which comprises Mr Chua Siong Kiat, Alex, as the Chief Risk Officer ("CRO"), and Mr Chu Sau Ben, Mr Yuen Sou Wai, Mr Eng Meng Leong and Mr Kong Chee Keong as members. At each AC meeting, the CRO presents matters in relation to enterprise risk management ("ERM") to the Risk Committee for discussion following internal ERM meetings which the CRO had held with the sub-committee comprising key management personnel at the operational level.
</td></tr>
<tr><td>1.4</td><td>Have the Board and Board Committees met in the last financial year?</td><td>The Board meets regularly, with at least two (2) scheduled meetings within each financial year, to oversee the business affairs of the Group, and to approve, if applicable, any financial or business objectives and strategies. Directors are provided with complete, adequate information in a timely manner, including half-yearly management reports and all relevant information on material events and transactions, to enable them to be fully cognisant of the decisions and actions of the Group's management. Detailed Board papers are prepared for each meeting of the Board. The Board papers include sufficient information from management on financial, business and corporate issues and are normally circulated in advance of each meeting. This enables the Directors to request for and obtain further explanations, where necessary, in order to be adequately briefed before each meeting. Ad-hoc meetings are convened as and when deemed necessary.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		In FY2014, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.

Table 1.4 – Board and Board Committee Meetings in FY2014

	Board	AC	NC	RC
Number of Meetings Held	3	4	1	2
Name of Director	**Number of Meetings Attended**			
Chu Sau Ben	3	4*	1*	2*
Chua Siong Kiat, Alex	3	4*	1*	2*
Yuen Sou Wai	3	4	1	2
Eng Meng Leong	3	4	1	2
Kong Chee Keong	3	4	1	2

* By invitation

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The Company's Articles of Association (the "Articles") allow for meetings to be held through tele-conferences, video-conferencing, audio visual or other electronic means of communication.
1.5	What are the types of material transactions which require approval from the Board?	Matters that require the Board's approval include, amongst others, the following: • corporate strategy and business plans; • material acquisitions and disposals of assets; • corporate or financial restructuring; • share issuance and dividends; • appointment, termination and compensation of Executive Directors; • annual purchasing budgets, financial results announcements, annual report and audited financial statements; and • interested person transactions.
1.6	(a) Are new Directors given formal training? If not, please explain why.	All newly appointed Directors will undergo an informal orientation programme where the Director would be briefed on the Group's business operations, strategic directions and policies, corporate functions and governance practices, as well as the expected duties of a director of a listed company. To get a better understanding of the Group's business, the Director will also be given the opportunity to visit the Group's operational facilities and meet with key management personnel.
	(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?	Briefings, updates and trainings for the Directors in FY2014 included: • The external auditors ("EA") had briefed the AC on changes or amendments to accounting standards; • The Company Secretary had briefed the Board on the continuing obligations under the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules") as well as periodic updates on the Catalist Rules where necessary. The Company Secretary had also conducted corporate governance seminars for the Board and management; and

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		• Some of the Directors had attended the Listed Company Director courses conducted by the Singapore Institute of Directors and other professional courses by organisations such as Institute of Singapore Chartered Accountants.
Board Composition and Guidance		
2.1 2.2 3.3	Does the Company comply with the guideline on the proportion of Independent Directors on the Board? If not, please state the reasons for the deviation and the remedial action taken by the Company.	In view that the Chairman of the Board (the "Chairman") and the chief executive officer (the "CEO") is the same person, and the Chairman is part of the management team and is not an independent director, Guideline 2.2 of the Code is met as the Independent Directors make up 60% of the Board. Mr Yuen Sou Wai has also been appointed as the Lead Independent Director of the Company and makes himself available to shareholders at the Company's general meetings and through the Company by way of an appointment which can be made at the registered office of the Company at 101 Defu Lane 10, Singapore 539222.
2.3 4.3	Has the independence of the Independent Directors been reviewed in the last financial year?	The NC has reviewed and confirmed the independence of the Independent Directors in accordance with the Code. The Independent Directors have also confirmed their independence in accordance with the Code.
	(a) Is there any Director who is deemed to be independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent? If so, please identify the Director and specify the nature of such relationship.	There is no Director who are deemed independent by the Board, notwithstanding the existence of a relationship as stated in the Code that would otherwise deem him not to be independent.
	(b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	
2.4	Has any Independent Director served on the Board for more than nine years since the date of his first appointment? If so, please identify the Director and set out the Board's reasons for considering him independent.	There are no Independent Directors who has served beyond nine years since the date of his first appointment.
2.6	(a) What is the Board's policy with regard to diversity in identifying director nominees?	The Board's policy in identifying director nominees is primarily to have an appropriate mix of members with complementary skills, core competencies and experience for the Group, regardless of gender.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) Please state whether the current composition of the Board provides diversity on each of the following – skills, experience, gender and knowledge of the Company, and elaborate with numerical data where appropriate.</td><td>The current Board composition provides a diversity of skills, experience, and knowledge to the Company as follows:

Table 2.6 – Balance and Diversity of the Board
<table><tr><th></th><th>Number of Directors</th><th>Proportion of Board</th></tr><tr><td>Core Competencies</td><td></td><td></td></tr><tr><td>– Accounting or finance</td><td>4</td><td>4/5</td></tr><tr><td>– Business management</td><td>5</td><td>5/5</td></tr><tr><td>– Legal or corporate governance</td><td>4</td><td>4/5</td></tr><tr><td>– Relevant industry knowledge or experience</td><td>1</td><td>1/5</td></tr><tr><td>– Strategic planning experience</td><td>5</td><td>5/5</td></tr><tr><td>– Customer based experience or knowledge</td><td>1</td><td>1/5</td></tr></table></td></tr>
<tr><td></td><td>(c) What steps have the Board taken to achieve the balance and diversity necessary to maximise its effectiveness?</td><td>The Board has taken the following steps to maintain or enhance its balance and diversity:

• Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and
• Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board.

The NC will consider the results of these exercises in its recommendation for the appointment of new directors and/or the re-appointment of incumbent directors.</td></tr>
<tr><td colspan="3"><u>Chairman and Chief Executive Officer</u></td></tr>
<tr><td>3.1</td><td>Are the duties between Chairman and CEO segregated?</td><td>Mr Chu Sau Ben assumes the roles of the Executive Chairman and CEO. The Company believes that a single leadership structure will facilitate the decision-making process in relation to business opportunities and operational matters. The Board is of the opinion that there would be no need to separate the two roles after taking into consideration the following:

• Size and capabilities of the Board;
• Size and operations of the Group; and
• Sufficient safeguards and checks are in place to ensure that the process of decision making by the Board is independent and based on collective decisions, without any individual or group of individuals exercising any considerable power and influence.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The Chairman and CEO's duties include: • leading the Board to ensure its effectiveness on all aspects of its role and setting its agenda; • ensuring accurate, timely and clear information flow to Directors; • ensuring effective shareholder communication; • encouraging constructive relations between the Board and key management personnel; • facilitating effective contribution of Non-Executive Directors; • encouraging constructive relations between the Executive Directors and Non-Executive Directors; • promoting high standards of corporate governance; and • overseeing all key aspects of the Group's operations, including the tendering process of projects and is responsible for identifying and securing new projects for the Group.
3.4	Have the Independent Directors met in the absence of key management personnel?	The Independent Directors had met four (4) times in the absence of key management personnel in FY2014.
Board Membership		
4.1	What are the duties of the NC?	The NC is guided by key terms of reference as follows: (a) reviewing and assessing candidates for directorships (including executive directorships) before making recommendations to the Board for the appointment of a Director; (b) recommending to the Board in respect of its review of Board succession plans for Directors, training and professional development programs for the Board and the process for evaluation of the performance of the Board, its Board Committees and Directors; (c) establishing and reviewing the terms of reference for the NC; (d) re-nominating Directors for re-election in accordance with the Articles at each annual general meeting of the Company ("AGM"); (e) determining annually, the independence of Directors; (f) deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director, taking into consideration the number of his listed company board representations and other principal commitments; (g) deciding the assessment process and implementing a set of objective performance criteria for evaluation of the Board's performance; and (h) evaluating the Board's effectiveness as a whole and each Director's contribution to its effectiveness in accordance with the assessment process and performance criteria adopted.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3">4.4</td><td>(a) What is the maximum number of listed company board representations that the Company has prescribed for its directors? What are the reasons for this number?</td><td>The Board has not capped the maximum number of listed company board representations each Director may hold.</td></tr>
<tr><td>(b) If a maximum has not been determined, what are the reasons?</td><td>The NC is of the view that the effectiveness of each of the Directors is best assessed by a qualitative assessment of the Director's contributions, after taking into account his other listed company board directorships and other principal commitments. The NC also believes that it is for each Director to assess his own capacity and ability to undertake other obligations or commitments together with serving on the Board effectively. The NC does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as members of the Board.</td></tr>
<tr><td>(c) What are the specific considerations in deciding on the capacity of directors?</td><td>The considerations in assessing the capacity of Directors include the following:
• Expected and/or competing time commitments of Directors;
• Size and composition of the Board;
• Nature and scope of the Group's operations and size;
• Relevant industry knowledge and experience; and
• Relevant corporate, professional and management experience.</td></tr>
<tr><td></td><td>(d) Have the Directors adequately discharged their duties?</td><td>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2014.</td></tr>
<tr><td>4.5</td><td>Are there alternate Directors?</td><td>The Company does not have any alternate directors.</td></tr>
<tr><td>4.6</td><td>Please describe the board nomination process for the Company in the last financial year for (i) selecting and appointing new directors and (ii) re-electing incumbent directors.</td><td>
<table>
<tr><th colspan="3">Table 4.6(a) – Process for the Selection and Appointment of New Directors</th></tr>
<tr><td>1.</td><td>Determination of selection criteria</td><td>• The NC, in consultation with the Board, would identify the current needs of the Board in terms of skills, experience and knowledge to complement and strengthen the Board and increase its diversity.</td></tr>
<tr><td>2.</td><td>Search for suitable candidates</td><td>• The NC would consider candidates proposed by the Directors, key management personnel or substantial shareholders, and may engage external search consultants where necessary.</td></tr>
<tr><td>3.</td><td>Assessment of shortlisted candidates</td><td>• The NC would meet and interview the shortlisted candidates to assess their suitability.</td></tr>
<tr><td>4.</td><td>Appointment of director</td><td>• The NC would recommend the selected candidate to the Board for consideration and approval.</td></tr>
</table>
</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
<table>
<tr><th colspan="3">Table 4.6(b) – Process for the Re-electing Incumbent Directors</th></tr>
<tr><td>1.</td><td>Assessment of director</td><td>• The NC would assess the performance of the director in accordance with the performance criteria set by the Board; and
• The NC would also consider the current needs, expertise and composition of the Board.</td></tr>
<tr><td>2.</td><td>Re-appointment of director</td><td>• Subject to the NC's satisfactory assessment, the NC would recommend the proposed re-appointment of the director to the Board for its consideration and approval.</td></tr>
</table>
Under the Articles, at each AGM, at least one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not less than one-third) are required to retire from office by rotation. All Directors (except for a chief executive officer or managing director who may be appointed for a term of up to three (3) years) are required to retire at least once in three (3) years.
The NC, with the respective member who is interested in the discussion having abstained from the deliberations, has recommended to the Board that Mr Yuen Sou Wai and Mr Eng Meng Leong be nominated for re-election at the forthcoming AGM, in accordance with Article 93 of the Articles.
Mr Yuen Sou Wai will, upon re-appointment as a Director of the Company, remain as the Lead Independent Director, Chairman of the AC and a member of the NC and RC.
Mr Eng Meng Leong will, upon re-appointment as a Director of the Company, remain as an Independent Director, Chairman of the NC and a member of the RC and AC.
Both Mr Yuen Sou Wai and Mr Eng Meng Leong will be considered independent for the purposes of the Rule 704(7) of the Catalist Rules.
</td></tr>
<tr><td>4.7</td><td>Please provide Directors' key information.</td><td>Key information of the Directors, including their appointment dates and present and past three years' directorships in other listed companies, are set out in the following table and in the "Board of Directors" section of this annual report.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

	Company's Compliance or Explanation

Name of Director	Appointment	Date of initial appointment	Date of last re-election	Directorships in other listed companies	
				Current	Past 3 Years
Chu Sau Ben	Executive Chairman and (w.e.f 18 February 2014) Chief Executive Officer	20 October 2010	23 April 2014	-	-
Chua Siong Kiat, Alex	Executive Director and Chief Financial Officer	18 November 2013	23 April 2014	-	-
Yuen Sou Wai	Lead Independent Director	4 October 2011	23 April 2012	(1) Chew's Group Limited (2) YHI International Limited (3) Huationg Global Limited	-
Eng Meng Leong[1]	Independent Director	4 October 2011	23 April 2012	3Cnergy Limited	Kreuz Holdings Limited
Kong Chee Keong	Independent Director	24 April 2013	23 April 2014	-	-
Dr Zhang Jian	Executive Director, President and Chief Executive Officer (resigned w.e.f. 18 February 2014)	18 November 2013	-	-	-

Note:
1. Mr Eng Meng Leong is also a director of Croesus Retail Asset Management Pte Ltd (CRAM) and Religare Health Trust Trustee Manager Pte Ltd (RHTTM). CRAM and RHTTM are the trustee managers of Croesus Retail Trust and Religare Health Trust respectively, both of which are business trusts listed on the SGX-ST.

Board Performance

5.1 5.2 5.3	What is the performance criteria set to evaluate the effectiveness of the Board as a whole and its board committees, and for assessing the contribution by each Director to the effectiveness of the Board?	Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company’s Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>
Table 5
<table>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td rowspan="7">Qualitative</td><td>1. Size and composition</td><td>1. Commitment of time</td></tr>
<tr><td>2. Access to information</td><td>2. Knowledge and abilities</td></tr>
<tr><td>3. Board processes</td><td>3. Teamwork</td></tr>
<tr><td>4. Board accountability</td><td>4. Independence (if applicable)</td></tr>
<tr><td>5. Risk management</td><td>5. Overall effectiveness</td></tr>
<tr><td>6. Succession planning</td><td rowspan="2"></td></tr>
<tr><td>7. Overall effectiveness</td></tr>
<tr><td rowspan="5">Quantitative</td><td>1. Performance of the Company’s share price over one year period vis-à-vis the FTSE Straits Time Index and a benchmark of the Company’s industry peers</td><td rowspan="5">1. Attendance at Board and Board Committee meetings</td></tr>
<tr><td>2. Return on equity (“ROE”)</td></tr>
<tr><td>3. Earnings per share</td></tr>
<tr><td>4. Net tangible assets per share</td></tr>
<tr><td>5. Operating cash flow</td></tr>
</table>
</td></tr>
<tr><td></td><td>(a) What was the process upon which the Board reached the conclusion on its performance for the financial year?</td><td>The review of the performance of the Board and the Board Committees is conducted by the NC annually. The review of the performance of each Director is also conducted at least annually and when the individual Director is due for re-election.

In FY2014, the review process was as follows:
1. All Directors collectively as a whole completed a board evaluation questionnaire on the effectiveness of the Board, the Board Committees and the individual Directors based on criteria disclosed in Table 5 above;
2. The Company Secretary collated and submitted the questionnaire results to the NC Chairman in the form of a report; and
3. The NC discussed the report and concluded the performance results during the NC meeting.

All NC members have abstained from the voting or review process of any matters in connection with the assessment of his performance.

No external facilitator was used in the evaluation process.</td></tr>
<tr><td></td><td>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3"><u>Access to Information</u></td></tr>
<tr><td>6.1
10.3</td><td>What types of information does the Company provide to Independent Directors to enable them to understand its business, the business and financial environment as well as the risks faced by the Company? How frequently is the information provided?</td><td>Table 6 – Types of information provided by key management personnel to Independent Directors
<table>
<tr><th>Information</th><th>Frequency</th></tr>
<tr><td>1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td><td>Every meeting</td></tr>
<tr><td>2. Updates to the Group's operations and the markets in which the Group operates in</td><td>Every meeting</td></tr>
<tr><td>3. Budgets and/or forecasts (with variance analysis), and management accounts (with financial ratios analysis)</td><td>Every meeting</td></tr>
<tr><td>4. Reports on on-going or planned corporate actions</td><td>Every meeting</td></tr>
<tr><td>5. Enterprise risk framework and internal auditors' ("IA") report(s)</td><td>Half yearly</td></tr>
<tr><td>6. Research report(s)</td><td>Regularly</td></tr>
<tr><td>7. Shareholding statistics</td><td>Yearly</td></tr>
<tr><td>8. EA's report</td><td>Yearly</td></tr>
</table>
Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</td></tr>
<tr><td>6.3</td><td>What is the role of the Company Secretary?</td><td>The role of the Company Secretary, the appointment and removal of whom is a matter for the Board as a whole, is as follows:
• Ensuring that Board procedures are observed and that the Company's memorandum and the Articles, relevant rules and regulations, including requirements of the Securities and Futures Act (Chapter 289) of Singapore, the Companies Act (Chapter 50) of Singapore and the Catalist Rules, are complied with;
• Assists the Chairman to ensure good information flows within the Board and its committees and key management personnel;
• Training, designing and implementing a framework for key management personnel's compliance with the Catalist Rules, including timely disclosure of material information;
• Attends and prepares minutes for all Board meetings;
• As secretary to all the other Board Committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board Committees and key management personnel; and</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		• Assists the Chairman, the Chairman of each Board Committee and key management personnel in the development of the agendas for the various Board and Board Committee meetings.
REMUNERATION MATTERS **Developing Remuneration Policies**		
7.1	What is the role of the RC?	The RC is guided by key terms of reference as follows: (a) Review and recommend to the Board a general framework of remuneration for Directors and key management personnel, and review the specific remuneration packages for each Executive Director and key management personnel; (b) Review and recommend to the Board the service contracts of Executive Directors and key management personnel and ensure that such services contracts will be able to attract, retain and motivate Executive Directors and key management personnel without being excessively long or with onerous renewal/termination clauses; and (c) Perform an annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.
7.3	Were remuneration consultants engaged in the last financial year?	No remuneration consultants were engaged by the Company in FY2014.
Disclosure on Remuneration		
9	What is the Company's remuneration policy?	The Company's remuneration policy is one that seeks to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and key management personnel to achieve the Company's business vision and create sustainable value for its stakeholders. The policy articulates to staff the link that total compensation has to the achievement of organisational and individual performance objectives, and benchmarked against relevant and comparative compensation in the market.
9.1 9.2	Has the Company disclosed each Director's and the CEO's remuneration as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?	The bands and breakdown for the remuneration of the Directors in FY2014 were as follows: ***Table 9.2 – Remuneration of the Directors***

	Salary %	Variable Bonus %	Director's Fees %	Benefits %	Total %
Between S$500,000 to S$750,000					
Chu Sau Ben	81	19	-	-	100
Below S$250,000					
Chua Siong Kiat, Alex	93	7	-	-	100
Yuen Sou Wai	-	-	100	–	100
Eng Meng Leong	-	-	100	–	100
Kong Chee Keong	-	-	100	–	100
Dr Zhang Jian[1]	100	-		–	100

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>Note:
[1] Dr Zhang Jian was appointed to the Board on 18 November 2013 and had resigned from the Board with effect from 18 February 2014.

The Executive Chairman and CEO is entitled to Company-maintained cars for business use as stipulated in the Company's Car Policy and approved by the RC and the Board.

To maintain confidentiality of the remuneration policies of the Company, and for competitive reasons, the remuneration of Directors is disclosed in bands.

There are no termination, retirement and post-employment benefits that may be granted to the Directors, the CEO and all top key management personnel.</td></tr>
<tr><td rowspan="2">9.3</td><td>(a) Has the Company disclosed each key management personnel's remuneration, in bands of S$250,000 or more in detail, as well as a breakdown (in percentage or dollar terms) into base/fixed salary, variable or performance-related income/bonuses, benefits in kind, stock options granted, share-based incentives and awards, and other long-term incentives? If not, what are the reasons for not disclosing so?</td><td>The Company only has 9 top key management personnel in FY2014.

The band and breakdown for the remuneration of the Company's top 5 key management personnel (who are not Directors or the CEO) in FY2014 was as follows:

Table 9.3 – Remuneration of Key Management Personnel
<table>
<tr><th></th><th>Salary %</th><th>Variable Bonus %</th><th>Benefits %</th><th>Total %</th></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Dr Zhou Qian[1]</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Deng Rong</td><td>93</td><td>7</td><td>-</td><td>100</td></tr>
<tr><td>Xu RuiBing[2]</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Du YiJun[3]</td><td>100</td><td>-</td><td>-</td><td>100</td></tr>
<tr><td>Ti Tiong Kwee[4]</td><td>56</td><td>44</td><td>-</td><td>100</td></tr>
</table></td></tr>
<tr><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>Notes:
[1] Dr Zhou Qian had resigned with effect from 1 October 2014
[2] Mr Xu RuiBing was appointed as General Manager of Kin Xin Engineering Pte. Ltd. on 1 August 2014
[3] Mr Du YiJun was appointed as Assistant General Manager of Libra Building Construction Pte. Ltd. on 15 November 2014
[4] Mr Ti Tiong Kwee had resigned with effect from 1 March 2014

The total remuneration paid to the top 5 key management personnel in FY2014 was S$535,660.</td></tr>
<tr><td>9.4</td><td>Is there any employee who is an immediate family member of a Director or the CEO, and whose remuneration exceeded S$50,000 during the last financial year? If so, please identify the employee and specify the relationship with the relevant Director or the CEO.</td><td>The employees who are family members of a Director or the CEO and who received remuneration in excess of S$50,000 in FY2014 were as follows:

Table 9.4 – Remuneration of Employees who are family members of the Executive Chairman and CEO
<table>
<tr><th>Name of Employee</th><th>Salary %</th><th>Variable Bonus %</th><th>Benefits %</th><th>Total %</th></tr>
<tr><td colspan="5">Between S$100,000 and S$150,000</td></tr>
<tr><td>Chu Kee Yong</td><td>92</td><td>8</td><td>-</td><td>100</td></tr>
<tr><td>Chu Fai Fong</td><td>94</td><td>6</td><td>-</td><td>100</td></tr>
</table></td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		Ms. Chu Kee Yong, who is the Acting General Manager of Libra Engineering Pte Ltd and Ms. Chu Fai Fong, who is the Credit Controller of the Company, are sisters of the Executive Chairman and CEO, Mr Chu Sau Ben. Save as disclosed, the Company does not have any other employee who is an immediate family member of any Director or the CEO whose remuneration exceeded S$50,000 during FY2014.
9.5	Please provide details of the employee share scheme(s).	The Company has in place the Libra Performance Share Plan (the "Performance Share Plan"), which is administered by the RC. The RC reviews whether Executive Directors and management of the Company should be eligible for benefits under such long-term incentive schemes, based on factors such as rank, job performance, creativity, innovativeness, entrepreneurship, years of service and potential for future development, his contribution to the success and development of our Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance target(s) determined for a particular performance period, and considers the costs and benefits of such long-term incentive schemes. Details of the Performance Share Plan were set out in the Company's Offer Document dated 2 November 2011. There were no share awards granted to any person pursuant to the Libra Performance Share Plan during FY2014.
9.6	(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.	The Group's remuneration policy is to ensure that the remuneration offered is competitive and sufficient to attract, retain and motivate Directors and management of the required experience and expertise. The Company adopts a remuneration policy for Executive Directors and key management personnel comprising a fixed and variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus which is linked to the individual's performance which is assessed based on their respective key performance indicators allocated to them. Staff appraisals are conducted once a year. The key management personnel had met their respective key performance indicators in respect of FY2014. The Executive Directors do not receive Directors' fees. The corporate and individual performance-related elements of remuneration are designed to align the interests of Executive Directors with those of shareholders in order to promote the long-term success of the Company. Under the service agreements entered into between each Executive Director and the Company, each of the Executive Directors shall be entitled to a discretionary bonus depending on his performance in each financial year. The Executive Directors had met their respective key performance indicators in respect of FY2014.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td>(b) What were the performance conditions used to determine their entitlement under the short term and long term incentive schemes?</td><td>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Directors and key management personnel to work in alignment with the goals of all stakeholders:
<table>
<tr><th>Performance Conditions</th><th>Performance criteria</th></tr>
<tr><td>Qualitative</td><td>1. Leadership</td></tr>
<tr><td></td><td>2. People development</td></tr>
<tr><td></td><td>3. Commitment</td></tr>
<tr><td></td><td>4. Teamwork</td></tr>
<tr><td></td><td>5. Current market and industry practices</td></tr>
<tr><td>Quantitative</td><td>1. Profit before tax</td></tr>
<tr><td></td><td>2. ROE/Return on investment</td></tr>
<tr><td></td><td>3. Relative financial performance of the Group to its industry peers</td></tr>
<tr><td></td><td>4. Order book and sales growth</td></tr>
</table></td></tr>
<tr><td></td><td>(c) Were all of these performance conditions met? If not, what were the reasons?</td><td>Yes, the RC had reviewed and is satisfied that the performance conditions were met for FY2014.</td></tr>
<tr><td colspan="3">ACCOUNTABILITY AND AUDIT
<u>Risk Management and Internal Controls</u></td></tr>
<tr><td>11.3</td><td>(a) In relation to the major risks faced by the Company, including financial, operational, compliance, information technology and sustainability, please state the bases for the Board's view on the adequacy and effectiveness of the Company's internal controls and risk management systems.</td><td>The Board is of the view that the Company's internal controls (including financial, operational, compliance and information technology controls) and risk management systems were adequate and effective in FY2014.

The bases for the Board's view are as follows:
1. Assurance has been received from the CEO, CFO and IA (refer to Section 11.3(b) below);
2. An internal audit has been done by the IA and significant matters highlighted to the AC and key management personnel were appropriately addressed;
3. the Risk Committee regularly assess and review the Group's business and operational environment in order to identify areas of significant business and financial risks such as credit risks, foreign exchange risks, liquidity risks, interest rate risks, as well as, appropriate measures to control and mitigate these risks, and report to the AC and the Board on material findings;
4. Discussions were held between the AC and auditors in the absence of the key management personnel to review and address any potential concerns; and
5. An enterprise risk management framework was established to identify, manage and mitigate significant risks.</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		The Board notes that the system of internal controls and risk management controls established by the Company are designed to manage, rather than to eliminate, the risk of failure in achieving business objectives. It can only provide reasonable but not absolute assurance against any material misstatement or loss.
	(b) In respect of the past 12 months, has the Board received assurance from the CEO and the CFO as well as the IA that: (i) the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances; and (ii) the Company's risk management and internal control systems are effective? If not, how does the Board assure itself of points (i) and (ii) above?	Yes, the Board has obtained such assurance from the CEO and CFO in respect of FY2014. The Board has relied on the independent auditors' report as set out in this Annual Report as assurance that the financial records have been properly maintained and the financial statements give true and fair view of the Company's operations and finances. The Board has additionally relied on the IA's reports issued to the Company in FY2014 as assurances that the Company's risk management and internal control systems are effective.
Audit Committee		
12.1 12.4	What is the role of the AC?	The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Cap. 50, including the following: (a) establishing and reviewing the terms of reference for the AC; (b) recommending to the Board, the appointment or re-appointment of the EA; (c) reviewing the Group's half-year and full-year financial statements and related notes and announcements relating thereto, accounting principles adopted, and the EA's reports prior to recommending to the Board for approval; (d) monitor and review the scope and results of external audit and its cost-effectiveness, and the independent and objectivity of the EA; (e) reviewing the nature, scope, extent and cost-effectiveness of any non-audit services provided by the EA and ensuring that these do not affect the independence and objectivity of the EA; (f) reviewing and evaluating, having regard to input from EA and IA, the adequacy of the system of internal controls and compliance functions, including financial, operational, compliance and information technology controls, for recommendation to the Board; (g) reviewing any significant financial reporting issues and judgements and estimates made by key management personnel, so as to ensure the integrity of the financial statements of the Group;

CORPORATE GOVERNANCE REPORT

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td></td><td></td><td>(h) review and discuss with the EA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations (if any), which has or is likely to have a material impact on the Group's operating results or financial position, and key management personnel's response;
(i) review the adequacy of the whistle-blowing policy;
(j) monitoring and reviewing the effectiveness of the Company's internal audit functions and its adequacy and effectiveness; and
(k) reviewing the interested person transactions falling within the scope of Chapter 9 of the Catalist Rules reported by key management personnel to ensure that they were carried out on normal commercial terms and are not prejudicial to the interests of shareholders.</td></tr>
<tr><td>12.5</td><td>Has the AC met with the auditors in the absence of key management personnel?</td><td>Yes, the AC had met with the IA and the EA once in the absence of key management personnel in FY2014.</td></tr>
<tr><td>12.6</td><td>Has the AC reviewed the independence of the EA?</td><td>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</td></tr>
<tr><td></td><td>(a) Please provide a breakdown of the fees paid in total to the EA for audit and non-audit services for the financial year.</td><td>Table 12.6(a) – Fees Paid/Payable to the EA in FY2014
<table>
<tr><th></th><th>S$'000</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>140</td><td>85.9</td></tr>
<tr><td>Non-audit fees</td><td></td><td></td></tr>
<tr><td>– Tax returns compliance services</td><td>19</td><td>11.7</td></tr>
<tr><td>– Agreed Upon Procedures on the financial effects of the share placement in October 2014</td><td>4</td><td>2.4</td></tr>
<tr><td>Total</td><td>163</td><td>100</td></tr>
</table></td></tr>
<tr><td></td><td>(b) If the EA have supplied a substantial volume of non-audit services to the Company, please state the bases for the AC's view on the independence of the EA.</td><td>The non-audit services rendered during FY2014 were not substantial.</td></tr>
<tr><td>12.7</td><td>Does the Company have a whistle-blowing policy?</td><td>Yes. The Company's staff and all external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting to the AC a whistle blowing report to whistleblowing@libragroup.com.sg</td></tr>
</table>

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
12.8	What are the AC's activities or the measures it has taken to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements?	The members of the AC have taken measures to keep abreast of changes to accounting standards and issues which have a direct impact on financial statements as and when it, or the Board or NC, deems necessary and appropriate. The external auditors had provided regular updates and periodic briefings to the AC on changes or amendments to accounting standards to enable the members of the AC to keep abreast of such changes and its corresponding impact on the financial statements, if any, in FY2014.
Internal Audit		
13.1 13.2 13.3 13.4 13.5	Please provide details of the Company's internal audit function, if any.	The Company's internal audit function is outsourced to BDO LLP ("BDO") that reports directly to the AC. The AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit, with the outcome of the internal audit presented to and reviewed by key management personnel, the AC and the Board. The AC is satisfied that BDO is adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively.
SHAREHOLDER RIGHTS AND RESPONSIBILITIES **Communication with Shareholders**		
15.2 15.3 15.4	(a) Does the Company regularly communicate with shareholders and attend to their questions? How often does the Company meet with institutional and retail investors? (b) Is this done by a dedicated investor relations team (or equivalent)? If not, who performs this role?	Communication with shareholders is managed by the Board. All announcements are released via SGXNET including the half-year and full-year financial results, distribution of notices, press releases, analyst briefings, presentations, announcement 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 will also be made available on the SGXNET. In FY2014, the Company held 2 analyst briefings and 2 meetings with institutional and retail investors. The Company also has a dedicated external investor relations team by Waterbrooks Consultants Pte Ltd to facilitate communication with shareholders.
	(c) How does the Company keep shareholders informed of corporate developments, apart from SGXNET announcements and the annual report?	Apart from the SGXNET announcements and its annual report, the Company updates shareholders on its corporate developments through its external investor relations team by Waterbrooks Consultants Pte Ltd.
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, key management personnel will review, inter alia, the Group's performance in the relevant financial period, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.

CORPORATE GOVERNANCE REPORT

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
	Is the Company is paying dividends for the financial year? If not, please explain why.	The Board has proposed a final dividend of S$0.007 per ordinary share for FY2014 which will be subject to shareholders' approval at the forthcoming AGM. In addition, the Company has paid an interim dividend of S$0.005 per ordinary share for HY2014 on 8 September 2014.
CONDUCT OF SHAREHOLDER MEETINGS		
16.1 16.3 16.4 16.5	How are the general meetings of shareholders conducted?	The Directors, including the chairman of each of the Board Committees, and the management as well as the EA will be present at the AGM to address shareholders' queries. The Board will also engage in investor relations activities to allow the Company to engage shareholders as and when it deems necessary and appropriate. Shareholders can vote in person or appoint not more than two (2) proxies to attend and vote on their behalf. There is no provision in the Company's Articles that limits the number of proxies for nominee companies. Voting in absentia and electronic mail may only be possible following careful study to ensure the integrity of the information and authentication of the identity of members through the web is not compromised and is also subject to legislative amendment to recognise electronic voting. The Company will practise having separate resolutions at a general meeting on each distinct issue. "Bundling" of resolutions will be kept to a minimum and will be done only where the resolutions are interdependent so as to form one significant proposal. All resolutions are put to vote by poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. The Company will record minutes of all general meetings and will make available the minutes of general meetings to shareholders upon request.

COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	**Rule Description**	**Company's Compliance or Explanation**
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715.
1204(8)	Material Contracts	There were no material contracts entered into by the Group involving the interest of the Executive Chairman and CEO, any Director, or controlling shareholder, which are either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year.

CORPORATE GOVERNANCE REPORT

<table>
<tr><th colspan="3">COMPLIANCE WITH APPLICABLE CATALIST RULES</th></tr>
<tr><th>Catalist Rule</th><th>Rule Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>1204(10)</td><td>Confirmation of adequacy of internal controls</td><td>The Board and the AC are of the opinion that the internal controls are adequate to address the financial, operational and compliance risks based on the following:
• internal controls and the risk management system established and maintained by the Company;
• works performed by the IA and EA;
• assurance from the CEO and CFO; and
• reviews done by the various Board Committees and key management personnel.</td></tr>
<tr><td>1204(17)</td><td>Interested Persons Transaction ("IPT")</td><td>The Group has procedures governing all IPTs to ensure that they are properly documented and reported on a timely manner to the AC and that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

The on-going IPT that is subsisting since the Company's initial public offering ("IPO") is tabulated in the table below. There were no IPTs entered into by the Company during FY2014.
<table>
<tr><th>Name of Interested Person</th><th>Aggregate value of all IPTs during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th><th>Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)</th></tr>
<tr><td>Chu Sau Ben[1]</td><td>S$209,000[2]</td><td>–</td></tr>
</table>
Notes:
[1] Mr Chu Sau Ben is the Executive Chairman and CEO of the Company.
[2] Performance bond for electrical work at the Altez project for which Mr Chu Sau Ben is a joint guarantor.</td></tr>
<tr><td>1204(19)</td><td>Dealing in Securities</td><td>The Company has adopted an internal policy which prohibits the Directors and officers from dealing in the securities of the Company while in possession of price-sensitive information.

The Company, its Directors and officers are also discouraged from dealing in the Company's securities on short term considerations and are prohibited from dealing in the Company's securities during the period beginning one month before the announcement of the Company's half-year and full-year financial statements respectively, and ending on the date of the announcement of the relevant results.</td></tr>
<tr><td>1204(21)</td><td>Non-sponsor fees</td><td>No non-sponsor fees were paid to the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. in FY2014.</td></tr>
<tr><td>1204(22)</td><td>Use of IPO Proceeds</td><td>All proceeds raised from the Company's IPO and the placement which was completed in October 2014 had been fully utlised.</td></tr>
</table>

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Libra Group Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2014.

Directors

The directors of the Company in office at the date of this report are:

Chu Sau Ben
Chua Siong Kiat, Alex
Yuen Sou Wai
Eng Meng Leong
Kong Chee Keong

Arrangements to enable Directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter. 50, an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		**Deemed interest**	
Name of director	**At the beginning of financial year**	**At the end of financial year**	**At the beginning of financial year**	**At the end of financial year**
Ordinary shares of the Company				
Chu Sau Ben	48,680,000	41,928,000	5,720,000	17,320,000
Chua Siong Kiat, Alex	–	339,000	–	339,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, or at the end of the financial year.

DIRECTORS' REPORT

Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

Performance Share Plan

The Company has in place the Libra Performance Share Plan (the "Performance Share Plan") to eligible Directors and management of the Company. The Committee administering the Performance Share Plan comprises three directors, Kong Chee Keong, Eng Meng Leong and Yuen Sou Wai.

Since the commencement of the Performance Share Plan till the end of the financial year, no awards have been granted.

Internal controls

The Board of Directors and the Audit Committee have reviewed the adequacy of the Group's internal controls that address the Group's financial, operational and compliance risks. Based on the review conducted, the Board of Directors and the Audit Committee are of the opinion that the system of internal controls in place are adequate in meeting the current scope of the Group's business operations.

Audit committee

The audit committee (AC) carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Cap. 50, including the following:

- Reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors
- Reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor
- Met with the external auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators
- Reviewed the cost effectiveness and the independence and objectivity of the external auditor
- Reviewed the nature and extent of non-audit services provided by the external auditor

DIRECTORS' REPORT

Audit committee (cont'd)

- Recommended to the board of directors the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit
- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. The AC has also conducted a review of interested person transactions.

The AC convened four meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

Ernst & Young LLP have expressed their willingness to accept reappointment as auditor.

On behalf of the board of directors:

Chu Sau Ben
Director

Chua Siong Kiat, Alex
Director

Singapore
31 March 2015

STATEMENT BY DIRECTORS

We, Chu Sau Ben and Chua Siong Kiat, Alex, being two of the directors of Libra Group Limited, do hereby state that, in the opinion of the directors,

(i) the accompanying balance sheets, consolidated statement of comprehensive income, statements of changes in equity, and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date, and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Chu Sau Ben
Director

Chua Siong Kiat, Alex
Director

Singapore
31 March 2015

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2014

Independent auditor's report to the members of Libra Group Limited

Report on the financial statements

We have audited the accompanying financial statements of Libra Group Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 55 to 104, which comprise the balance sheets of the Group and the Company as at 31 December 2014, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flow statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
For the financial year ended 31 December 2014

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
31 March 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2014

(Amounts in Singapore dollars)

	Note	2014 $	2013 $
Revenue	4	63,667,118	31,527,731
Cost of sales		(48,686,131)	(26,052,717)
Gross profit		14,980,987	5,475,014
Other income	5	262,068	1,409,981
Other items of expenses			
Administrative expenses		(9,489,814)	(6,328,604)
Finance costs	6	(481,684)	(385,484)
Profit before tax	7	5,271,557	170,907
Income tax (expense)/credit	8	(28,607)	205,842
Profit for the year		5,242,950	376,749
Attributable to:			
Owners of the Company		5,317,950	520,370
Non-controlling interests		(75,000)	(143,621)
		5,242,950	376,749
Earnings per ordinary share (cents per share)			
Basic and diluted	9	5.16	0.52
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency transaction		(25,802)	(42,107)
Total comprehensive income for the year		5,217,148	334,642
Attributable to:			
Owners of the Company		5,292,117	478,263
Non-controlling interests		(74,969)	(143,621)
Total comprehensive income for the year		5,217,148	334,642

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS
As at 31 December 2014

(Amounts in Singapore dollars)

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Assets					
Non-current assets					
Property, plant and equipment	10	19,863,680	2,258,184	16,483,338	–
Investment in subsidiaries	11	–	–	12,633,746	11,643,589
Goodwill	11	–	42,058	–	–
		19,863,680	2,300,242	29,117,084	11,643,589
Current assets					
Gross amount due from customers for contract work-in-progress	13	15,248,300	10,041,768	–	–
Inventories	14	1,705,936	1,317,920	–	–
Prepaid operating expenses		227,300	219,264	42,559	7,561
Trade and other receivables	15	9,465,888	5,995,245	1,741,685	1,205,627
Cash and cash equivalents	16	10,388,371	3,446,120	2,163,142	1,410,663
		37,035,795	21,020,317	3,947,386	2,623,851
Total assets		56,899,475	23,320,559	33,064,470	14,267,440
Equity and liabilities					
Current liabilities					
Gross amount due to customers for contract work-in-progress	13	166,873	146,469	–	–
Loans and borrowings	17	10,912,728	3,877,594	714,334	–
Trade and other payables	18	10,079,778	6,112,955	1,161,233	180,723
Other liabilities	19	5,546,431	1,916,341	236,707	179,320
Income tax payable		70,612	36,386	–	–
		26,776,422	12,089,745	2,112,274	360,043
Net current assets		10,259,373	8,930,572	1,835,112	2,263,808
Non-current liabilities					
Loans and borrowings	17	12,319,392	368,775	12,085,666	–
Deferred tax liabilities	12	–	4,577	–	–
		12,319,392	373,352	12,085,666	–
Total liabilities		39,095,814	12,463,097	14,197,940	360,043
Net assets		17,803,661	10,857,462	18,866,530	13,907,397

BALANCE SHEETS
As at 31 December 2014

(Amounts in Singapore dollars)

	Note	Group 2014 $	Group 2013 $	Company 2014 $	Company 2013 $
Equity attributable to owners of the Company					
Share capital	20	17,393,304	14,576,304	17,393,304	14,576,304
Foreign currency translation reserve	21	(35,672)	(9,870)	–	–
Merger reserve		(7,441,589)	(7,441,589)	–	–
Premium on acquisition of non-controlling interests	22	(355,109)	–	–	–
Accumulated profits/(losses)		8,242,727	3,722,569	1,473,226	(668,907)
		17,803,661	10,847,414	18,866,530	13,907,397
Non-controlling interests		–	10,048	–	–
Total equity		17,803,661	10,857,462	18,866,530	13,907,397
Total equity and liabilities		56,899,475	23,320,559	33,064,470	14,267,440

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

(Amounts in Singapore dollars)

	Attributable to owner of the Company							
	Share capital (Note 20) $	Foreign currency translation reserve (Note 21) $	Merger reserve $	Premium on acquisition of non-controlling interest	Accumulated profits/ (losses) $	Equity Attributable to owner of the Company, Total $	Non-controlling interests $	Total equity $
Group								
2014								
Opening balance at 1 January 2014	14,576,304	(9,870)	(7,441,589)	–	3,722,569	10,847,414	10,048	10,857,462
Profit for the year	–	–	–	–	5,317,950	5,317,950	(75,000)	5,242,950
Other comprehensive income								
Foreign currency translation	–	(25,802)	–	–	–	(25,802)	–	(25,802)
Total comprehensive income for the year	–	(25,802)	–	–	5,317,950	5,292,148	(75,000)	5,217,148
Issuance of new ordinary shares pursuant to placement shares	3,000,000	–	–	–	–	3,000,000	–	3,000,000
Share issue expenses	(183,000)	–	–	–	–	(183,000)	–	(183,000)
Dividend on ordinary shares	–	–	–	–	(797,792)	(797,792)	–	(797,792)
Acquisition of non-controlling interest without a change in control (Note 11)	–	–	–	(355,109)	–	(355,109)	64,952	(290,157)
Closing balance at 31 December 2014	17,393,304	(35,672)	(7,441,589)	(355,109)	8,242,727	17,803,661	–	17,803,661
2013								
Opening balance at 1 January 2013	14,576,304	32,237	(7,441,589)	–	3,202,199	10,369,151	–	10,369,151
Profit for the year	–	–	–	–	520,370	520,370	(143,621)	376,749
Other comprehensive income								
Foreign currency translation	–	(42,107)	–	–	–	(42,107)	–	(42,107)
Total comprehensive income for the year	–	(42,107)	–	–	520,370	478,263	(143,621)	334,642
Acquisition of a subsidiary (Note 11)	–	–	–	–	–	–	153,669	153,669
Closing balance at 31 December 2013	14,576,304	(9,870)	(7,441,589)	–	3,722,569	10,847,414	10,048	10,857,462

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2014

(Amounts in Singapore dollars)

	Share capital (Note 20)	Accumulated profits/ (losses)	Total equity
	$	$	$
Company			
2014			
Opening balance at 1 January 2014	14,576,304	(668,907)	13,907,397
Profit for the year representing total comprehensive income for the year	–	2,939,925	2,939,925
Issuance of new ordinary shares pursuant to placement shares	3,000,000	–	3,000,000
Share issuance expenses	(183,000)	–	(183,000)
Dividend on ordinary shares	–	(797,792)	(797,792)
Closing balance at 31 December 2014	17,393,304	1,473,226	18,866,530
2013			
Opening balance at 1 January 2013	14,576,304	(1,071,241)	13,505,063
Profit for the year representing total comprehensive income for the year	–	402,334	402,334
Closing balance at 31 December 2013	14,576,304	(668,907)	13,907,397

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2014

(Amounts in Singapore dollars)

	2014 $	2013 $
Operating activities		
Profit before tax	5,271,557	170,907
Adjustments for:		
Depreciation of property, plant and equipment	439,654	341,393
Allowance for doubtful trade receivables, net	104,127	628,116
Write-off of doubtful trade receivables	550,000	–
Impairment of gross amount due from customers for contract work-in-progress	685,898	292,951
Gain on disposal of non-current assets classified as held for sale	–	(210,506)
Loss on disposal of property, plant and equipment	60,115	98,630
Impairment of goodwill	42,058	–
Finance costs	481,684	385,484
Translation difference	(25,802)	(42,107)
Total adjustments	2,337,734	1,493,961
Operating cash flows before changes in working capital	7,609,291	1,664,868
Changes in working capital:		
Increase in gross amount due from customers for contract work-in-progress	(5,892,430)	(1,181,058)
Increase in gross amount due to customers for contract work-in-progress	20,404	146,469
Increase in inventories	(388,016)	(616,022)
Increase in prepaid operating expenses	(8,036)	(34,361)
Increase in trade and other receivables	(4,124,770)	(277,193)
Increase/(decrease) in trade and other payables	3,966,823	(802,302)
Increase in other liabilities	3,630,090	740,912
Total changes in working capital	(2,795,935)	(2,023,555)
Cash flows generated from/(used in) operations	4,813,356	(358,687)
Interest paid	(481,684)	(385,484)
Income tax refunded/(paid)	1,042	(24,343)
Net cash generated from/(used in) operating activities	4,332,714	(768,514)
Investing activities		
Purchase of property, plant and equipment (Note 10)	(17,780,346)	(826,036)
Net cash (outflow)/inflow on acquisition of subsidiary (Note 11)	(290,157)	57,993
Proceeds from disposal of property, plant and equipment	15,951	299,199
Proceeds from disposal of non-current assets classified as held for sale	–	710,145
Net cash (used in)/generated from investing activities	(18,054,552)	241,301
Financing activities		
Proceeds from loans and borrowings	43,346,368	14,254,252
Repayments of loans and borrowings	(24,701,487)	(18,409,573)
Dividend paid on ordinary shares	(797,792)	–
Proceeds from issuance of new ordinary shares pursuant to placement shares	3,000,000	–
Share issuance expenses	(183,000)	–
Net cash generated from/(used in) financing activities	20,664,089	(4,155,321)
Net increase/(decrease) in cash and cash equivalents	6,942,251	(4,682,534)
Cash and cash equivalents at 1 January	3,446,120	8,128,654
Cash and cash equivalents at 31 December (Note 16)	10,388,371	3,446,120

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

1. Corporation information

Libra Group Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Catalist Board of Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business of the Company is located at 101 Defu Lane 10, Singapore 539222.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (SGD or $) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards that have been issued but not yet effective:

Description	*Effective for annual periods beginning on or after*
Amendments to FRS 19 *Defined Benefit Plans: Employee Contributions*	1 July 2014
Improvements to FRSs (January 2014)	
(a) Amendments to FRS 102 *Share Based Payment*	1 July 2014
(b) Amendments to FRS 103 *Business Combinations*	1 July 2014
(c) Amendments to FRS 108 *Operating Segments*	
(d) Amendments to FRS 113 *Fair Value Measurement*	1 July 2014
(e) Amendments to FRS 16 *Property, Plant and Equipment* and FRS 38 *Intangible Assets*	1 July 2014
(f) Amendments to FRS 24 *Related Party Disclosures*	1 July 2014
Improvements to FRSs (February 2014)	
(a) Amendments to FRS 103 Business Combinations	1 July 2014
(b) Amendments to FRS 113 Fair Value Measurement	1 July 2014
FRS 114 *Regulatory Deferral Accounts*	1 January 2016
Amendments to FRS 27: *Equity Method in Separate Financial Statements*	1 January 2016
Amendments to FRS 16 and FRS 38: *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to FRS 111: *Accounting for Acquisitions of Interests in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	1 January 2016
FRS 115 *Revenue from Contracts with Customers*	1 January 2017
FRS 109 *Financial Instruments*	1 January 2018

Except for FRS 115 and FRS 109, the Directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below:

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective* (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The Group is currently assessing the impact of FRS 109 and plans to adopt the new standard on the required effective date.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations* (cont'd)

(a) *Basis of consolidation*

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations and goodwill*

Business combinations are accounted for by applying the acquisition method. In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations* (cont'd)

(b) *Business combinations and goodwill* (cont'd)

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

2.5 *Transactions with non-controlling interests*

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

2.6 *Functional and foreign currency*

The financial statements are presented in Singapore Dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in SGD at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the closing rates of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.6 *Functional and foreign currency* (cont'd)

(b) *Consolidated financial statement*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the transactions are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to the particular foreign operation is recognised in profit or loss.

2.7 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.16. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	Years
Computers	3
Furniture and fittings	5
Office equipment	5
Renovation	5
Motor vehicles	10
Factory equipment	10
Plant and machinery	10

Assets under construction are not depreciated as these assets are not yet available for use.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.7 *Property, plant and equipment* (cont'd)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

<u>Loans and receivables</u>

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.10 ***Financial instruments*** (cont'd)

(b) ***Financial liabilities*** (cont'd)

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.11 ***Impairment of financial assets***

The Group assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired.

<u>Financial assets carried at amortised cost</u>

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.11 *Impairment of financial assets* (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at bank and on hand.

2.13 *Construction contracts*

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (the percentage of completion method), when the outcome of a contract can be estimated reliably.

When the outcome of a contract cannot be estimated reliably (principally during early stages of a contract), contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable and contract costs are recognised as expense in the period in which they are incurred.

An expected loss on the contract is recognised as an expense immediately when it is probable that total contract costs will exceed total contract revenue.

In applying the percentage of completion method, revenue recognised corresponds to the total contract revenue (as defined below) multiplied by the actual completion rate based on proportion of total contract costs (as defined below) incurred to date to the estimated cost to complete.

Contract revenue – Contract revenue corresponds to the initial amount of revenue agreed in the contract and any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue; and they are capable of being reliably measured.

Contract costs – Contract costs include costs that relate directly to the specific contract and costs that are attributable to contract activity in general and can be allocated to the contract.

2. Summary of significant accounting policies (cont'd)

2.14 *Inventories*

Inventories are stated at the lower of cost and net realisable value. Costs incurred in bringing the inventories to their present location and condition are accounted for as follows:

- Raw materials: purchase costs on average cost basis.
- Finished goods: costs of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on average cost basis.

Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

2.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each end of the reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.16 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 *Employee benefits*

(a) *Defined contribution plans*

The Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.17 *Employee benefits* (cont'd)

(b) ***Employee leave entitlement***

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.18 *Leases – as lessee*

Finance leases which transfer to the Group substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Group will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.19 *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) ***Construction revenue***

Revenue from construction contracts is recognised using the percentage of completion method when the outcome of the construction contracts can be reliably estimated. Please refer to Note 2.13 to the financial statements for more details.

(b) ***Sale of goods***

Revenue from sale of goods is recognised upon the transfer of significant risk and rewards of ownership of goods to the customer, usually on delivery of goods. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.20 *Taxes*

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.20 ***Taxes*** (cont'd)

(b) ***Deferred tax*** (cont'd)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(c) ***Sales tax***

Revenues, expenses and assets are recognised net of the amount of sales tax except:

– Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

– Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.21 ***Share capital and share issuance expenses***

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 ***Contingencies***

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

2. Summary of significant accounting policies (cont'd)

2.22 *Contingencies* (cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.23 *Related parties*

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) Has control or joint control over the Company;
- (ii) Has significant influence over the Company; or
- (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

3. Significant accounting estimates and judgements

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has not made any significant judgements, which have the most significant effect on the amounts recognised in the financial statements.

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Construction contracts and revenue recognition*

The Group recognises contract revenue by reference to the stage of completion of the contract activity at the end of each reporting period, when the outcome of a construction contract can be estimated reliably. The stage of completion is measured by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Estimation of total contract revenue also includes an estimation of the variation works that are recoverable from the customers. In making the judgement, the Group relies on past experience and the knowledge of the project engineers.

Estimated total contract cost for construction contract comprises direct costs attributable to the construction of each project. In estimating the total budgeted costs for construction contracts, management makes reference to information such as current offers from contractors and suppliers, recent offers agreed with contractors and suppliers, and professional estimation of construction and material costs as well as its past experience. The carrying amounts of assets and liabilities arising from construction contracts at the end of each reporting period are disclosed in Note 13 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

3. Significant accounting estimates and judgements (cont'd)

3.2 *Key sources of estimation uncertainty* (cont'd)

(a) *Construction contracts and revenue recognition* (cont'd)

If the estimated total contract cost of major projects had been 5% higher/lower than management's estimate, the carrying amount of the net assets arising from major construction contracts would have been higher/lower by $41,358 (2013: $95,150). If the revenue on major uncompleted contracts as at balance sheet date had been 5% higher/lower than management's estimate, the Group's revenue would have been higher/lower by $1,094,386 (2013: $370,028).

(b) *Useful lives of plant and equipment*

All items of property, plant and equipment are depreciated on a straight-line basis over their respective estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 3 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of these assets of the Group at the end of each reporting period is disclosed in Note 10 to the financial statements. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 0.4% (2013: 4.7%) variance in the Group's profit for the year.

(c) *Impairment of loans and receivables*

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Group's loans and receivables at the end of the reporting period is disclosed in Note 15 to the financial statements. If the present value of estimated future cash flows decrease/increase by 10% from management's estimates, the Group's allowance for impairment will increase/decrease by approximately $754,488 (2013: $322,246).

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

4. Revenue

	Group	
	2014	**2013**
	$	$
Construction revenue	47,461,242	17,583,455
Sale of goods	16,205,876	13,944,276
	63,667,118	31,527,731

5. Other income

	Group	
	2014	**2013**
	$	$
Recovery of bad debts	15,546	126,642
Write back of contract work-in-progress previously impaired	–	848,267
Gain on disposal of non-current assets classified as held for sale	–	210,506
Sales of scrap materials	163,068	168,763
Others	83,454	55,803
	262,068	1,409,981

Others include government grant and incentives, commission and interest from bad debts recovered.

6. Finance costs

	Group	
	2014	**2013**
	$	$
Interest expense on:		
– Trust receipts	246,456	236,702
– Obligations under finance leases	17,644	40,940
– Term loans	137,217	99,230
– Factoring charges	66,000	8,612
Bank charges	14,367	–
	481,684	385,484

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

7. Profit before tax

The following items have been included in arriving at profit before tax:

	Group	
	2014 $	**2013** $
Depreciation of plant and equipment (Note 10)	439,654	341,393
Impairment of goodwill	42,058	–
Impairment of gross amount due from customers for contract work-in-progress	685,898	292,951
Allowance for doubtful trade receivables, net	104,127	628,116
Bad debt written off	550,000	–
Loss on disposal of property, plant and equipment	60,115	98,630
Gain on disposal of non-current assets classified as held for sales	–	210,508
Operating lease expense (Note 24(a))	2,125,079	1,170,226
Legal expenses	216,787	49,877
Audit fees:		
– Auditors of the Group	135,000	83,000
Non-audit fees:		
– Auditors of the Group	17,500	18,500
Employee benefits expenses (including directors' remuneration):		
– Salaries, wages and bonuses	9,578,272	6,002,690
– Central Provident Fund contributions	442,738	311,926
– Foreign worker levy	1,801,951	862,311
– Other short-term employee benefits	330,632	141,615

8. Income tax

The major components of income tax expense/ (credit) for the years ended 31 December are:

	Group	
	2014 $	**2013** $
Consolidated statement of comprehensive income:		
Current income tax		
- Current year income tax expense	25,381	–
- Under/ (Over) provision of income tax in respect of previous years	7,803	(177,312)
	33,184	(177,312)
Deferred income tax (Note 12)		
- Origination and reversal of temporary differences	(4,577)	(28,530)
Income tax expense/(credit) recognised in profit or loss	28,607	(205,842)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

8. Income tax

Relationship between tax expense and accounting profit

The reconciliation between tax expense/ (credit) and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

	Group	
	2014	**2013**
	$	$
Profit before tax	5,271,557	170,907
Tax at the domestic rates applicable to profit in the countries where the Group operates	896,165	44,361
Adjustments:		
Non-deductible expenses	125,871	59,424
Income not subject to tax	(9,146)	(57,058)
Effect of partial tax exemption and tax deduction	(83,832)	(90,771)
Deferred tax asset not recognised	268,719	204,525
Benefits from previously unrecognised tax loses	(1,176,817)	(176,530)
Under/ (Over) provision in respect of previous years	7,803	(177,312)
Others	(156)	(12,481)
Income tax expense/(credit) recognised in profit or loss	28,607	(205,842)

The above reconciliation is prepared by aggregating separate reconciliations for each national jurisdiction.

9. Earnings per share

Basic earnings per share are calculated by dividing the Group's profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share amounts are calculated by dividing profit net of tax attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2014	**2013**
	$	$
Profit for the year attributable to owners of the Company	5,317,950	520,370
	No. of shares	No. of shares
Weighted average number of ordinary shares for basic and diluted earnings per share computation	102,970,575	99,724,000

Since the end of the financial year, there has been no transaction involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

10. Property, plant and equipment

Group	Assets under construction $	Computers $	Furniture and fittings $	Motor vehicles $	Office equipment $	Renovation $	Factory equipment $	Plant and machinery $	Total $
Cost:									
At 1 January 2013	–	113,876	122,123	1,110,479	79,876	102,381	108,505	1,261,128	2,898,368
Additions	–	184,983	18,070	867,007	45,228	28,402	167,707	317,243	1,628,640
Disposals	–	–	–	(599,303)	(5,384)	–	(25,600)	–	(630,287)
Acquisition of a subsidiary (Note 11)	–	17,365	12,133	–	8,633	–	–	–	38,131
At 31 December 2013 and 1 January 2014	–	316,224	152,326	1,378,183	128,353	130,783	250,612	1,578,371	3,934,852
Additions	16,474,600	93,430	–	99,816	21,630	–	–	1,431,740	18,121,216
Disposals	–	(108,538)	(119,070)	–	(38,100)	(95,191)	(2,180)	(26,886)	(389,965)
Reclassifications	–	6,797	–	–	(6,797)	–	–	–	–
At 31 December 2014	16,474,600	307,913	33,256	1,477,999	105,086	35,592	248,432	2,983,225	21,666,103
Accumulated depreciation:									
At 1 January 2013	–	88,418	85,994	511,676	41,336	72,875	38,067	729,367	1,567,733
Depreciation charge for the year	–	46,982	21,224	107,868	17,818	15,981	19,340	112,180	341,393
Disposals	–	–	–	(216,326)	(3,806)	–	(12,326)	–	(232,458)
At 31 December 2013 and 1 January 2014	–	135,400	107,218	403,218	55,348	88,856	45,081	841,547	1,676,668
Depreciation charge for the year	–	80,698	17,229	127,403	21,276	16,090	23,824	153,134	439,654
Disposals	–	(76,027)	(109,289)	–	(24,719)	(88,561)	(883)	(14,420)	(313,899)
Reclassified	–	2,719	–	–	(2,719)	–	–	–	–
At 31 December 2014	–	142,790	15,158	530,621	49,186	16,385	68,022	980,261	1,802,423
Net carrying amount:									
At 31 December 2013	–	180,824	45,108	974,965	73,005	41,927	205,531	736,824	2,258,184
At 31 December 2014	16,474,600	165,123	18,098	947,378	55,900	19,207	180,410	2,002,964	19,863,680

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

10. Property, plant and equipment (cont'd)

Company	Assets under construction $	Computers $	Total $
Cost:			
At 1 January 2013, 31 December 2013 and 1 January 2014	–	–	–
Additions	16,474,600	8,988	16,483,588
At 31 December 2014	16,474,600	8,988	16,483,588
Accumulated depreciation:			
At 1 January 2013, 31 December 2013 and 1 January 2014	–	–	–
Depreciation charge for the year	–	250	250
At 31 December 2014	–	250	250
Net carrying amount:			
At 31 December 2013	–	–	–
At 31 December 2014	16,474,600	8,738	16,483,338

Assets under construction relate to leasehold land and building located at 53 Loyang Drive Singapore 508957.

Assets held under finance lease

During the financial year, the Group acquired plant and equipment with an aggregate cost of $340,870 (2013: $802,604) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to $17,780,346 (2013: $826,036).

The carrying amount of plant and equipment held under finance leases at the end of the reporting period were as follows:

	Group	
	2014 $	2013 $
Motor vehicles	797,096	950,779
Factory equipment	40,333	147,313
Plant and machinery	506,040	150,246
	1,343,469	1,248,338

Leased assets are pledged as security for the related finance lease liabilities.

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold land and building under construction with a carrying amount of $16,474,600 (2013: $Nil) are mortgaged to secure the Group's bank loans (Note 17).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

11. Investment in subsidiaries

	Company 2014 $	Company 2013 $
Shares, at cost	12,633,746	11,643,589

Name of company	Country of incorporation	Principal activity	Cost of investment 2014 $	Cost of investment 2013 $	Effective equity interest held by the Group 2014	Effective equity interest held by the Group 2013
Held by the Company:						
Kin Xin Engineering Pte. Ltd.("Kin Xin") [1]	Singapore	Contracting and installation of ACMV systems, fire alarms and fire protection systems, electrical systems and sanitary and plumbing systems	8,050,997	8,050,997	100	100
Libra Engineering Pte. Ltd. ("Libra Engineering") [1]	Singapore	Manufacturing and sale of ACMV ducts and trading of ACMV related products	3,390,592	3,390,592	100	100
Libra Building Construction Pte Ltd ("Libra Building") *(formerly known as "Ai-Build Pte Ltd")* [1]	Singapore	General contractors for building construction including major upgrading works and wholesale trade as general importers and exporters	1,192,157	202,000	100	51
			12,633,746	11,643,589		
Held through Libra Engineering						
Libra Engineering Sdn Bhd ("Libra Malaysia") [2]	Malaysia	Manufacturing and sale of ACMV ducts and ACMV related products	203,600	203,600	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

11. Investment in subsidiaries (cont'd)

[1] Audited by Ernst & Young LLP, Singapore
[2] Not material to the Group and not required to be disclosed under SGX Listing Rule 717

Acquisition of a subsidiary

The purchase price allocation of the acquisition of 51% equity interest in Libra Building (formerly known as "Ai-Build Pte Ltd") in the financial year ended 31 December 2013 was provisional as the final results have not been received by the date the financial statements were authorised for issue. Upon finalisation of the purchase price allocation as at 31 December 2014, no adjustment was made to the provisional goodwill with a carrying amount of $42,058.

Increase of shareholding interest in a subsidiary, without a change in control

On 9 May 2014, the Company acquired the remaining 147,000 ordinary shares, representing 49% of the equity interest, in Libra Building from a non-controlling interest for a cash consideration of $290,157. Pursuant to the acquisition, the Company increased its shareholding interest in Libra Building from 51% to 100%. Libra Building had net liabilities of $132,555 at 30 April 2014 where the carrying value of the additional interest acquired was $64,952. The difference of $355,109 between the consideration and the carrying value of the additional interest acquired has been recognised as "Premium paid on acquisition of non-controlling interest" within equity.

The following summarises the effect of change in the Group's ownership interest in Libra Building on the equity attributable to owners of the Company:

	$
Consideration paid for acquisition of non-controlling interest	290,157
Increase in equity attributable to non-controlling interest	64,952
Decrease in equity attributable to owners of the Company	355,109

During the financial year, Libra Building increased its issued and paid-up share capital from $300,000 to $1,000,000 by issuing 700,000 new ordinary shares at $1.00 each to the Company for cash consideration of $400,000 and capitalisation of the amount of $300,000 owing by Libra Building to the Company. As a result, the Company's investment in Libra Building has increased from $300,000 to $1,000,000. Libra Building remains a wholly-owned subsidiary of the Company.

Impairment testing of goodwill

During the financial year, an impairment loss was recognised to write down the carrying amount of goodwill attributed to a CGU in the building and constructions solutions segment as the carrying amount of the CGU exceeds its recoverable amount determined based on value in use calculations using cash flow projections from financial budgets approved by management covering a five-year forecast period. The impairment loss of $42,058 (2013: $Nil) has been recognised in profit or loss under the line item "administrative expense".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

12. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		Consolidated income statement	
	2014 $	2013 $	2014 $	2013 $
Deferred tax liabilities:				
Differences in depreciation for tax purposes	–	(4,577)	(4,577)	(28,530)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $1,763,833 (2013: $7,105,587) that are available for offset against future taxable profit of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of this tax loss is subject to the agreement of the tax authority and compliance with the relevant provisions of the tax legislation of the respective countries in which the companies operate.

13. Gross amount due from/(to) customers for contract work-in-progress

	Group	
	2014 $	2013 $
Aggregate amount of costs incurred and attributable profits (less recognised loss) to date	89,694,639	89,190,020
Less: Progress billings	(74,613,212)	(79,294,721)
	15,081,427	9,895,299
Presented as:		
Gross amount due from customers for contract work-in-progress	15,248,300	10,041,768
Gross amount due to customers for contract work-in-progress	(166,873)	(146,469)
	15,081,427	9,895,299
Retention sums on construction contracts included in gross amount due from customers for contract work-in-progress	2,579,699	2,434,647
Retention sums on construction contracts included in trade receivables	194,750	28,425

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

14. Inventories

	Group	
	2014	**2013**
	$	$
Balance sheet:		
Raw materials (at cost)	992,033	960,242
Work-in-progress (at cost)	29,306	–
Finished goods (at cost or net realisable value)	684,597	357,678
	1,705,936	1,317,920
Income statement		
Inventories recognised as an expense in cost of sales	24,860,343	15,740,680

15. Trade and other receivables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
GST receivable	1,065,745	–	1,045,606	–
Trade receivables	7,387,617	5,632,044	–	–
Retention receivables	194,750	28,425	–	–
Refundable deposits	647,609	305,502	14,050	
Other receivables	170,167	29,274	–	–
Amounts due from subsidiaries	–	–	682,029	1,205,627
	9,465,888	5,995,245	1,741,685	1,205,627
Add: Cash and cash equivalents (Note 16)	10,388,371	3,446,120	2,163,142	1,410,663
Less: GST receivables	(1,065,745)	–	(1,045,606)	–
Total loans and receivables	18,788,514	9,441,365	2,859,221	2,616,290

Trade receivables

Trade receivables are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition. Trade receivables are denominated in SGD.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

15. Trade and other receivables (cont'd)

Receivables that are past due but not impaired

The Group has trade receivables amounting to $3,889,145 (2013: $1,898,061) that are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:

	Group	
	2014 $	2013 $
Trade receivables past due but not impaired:		
Lesser than 30 days	2,233,432	1,198,562
31 to 90 days	854,422	349,823
More than 90 days	801,291	349,676
	3,889,145	1,898,061

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group	
	2014 $	2013 $
Trade receivables – nominal amounts	301,192	1,132,614
Less: Allowance for impairment	(301,192)	(993,704)
	–	138,910
Movement in allowance accounts:		
At 1 January	993,704	447,677
Charge for the year	119,673	749,341
Written back during the year	(15,546)	(121,225)
Effect of GST relief on bad debts written-off	49,390	18,963
Written-off	(846,029)	(101,052)
At 31 December	301,192	993,704

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Other receivables

Other receivables are non-trade in nature, unsecured, non-interest bearing and payable upon demand.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

15. Trade and other receivables (cont'd)

Amounts due from subsidiaries

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

16. Cash and cash equivalents

	Group		Company	
	2014 $	2013 $	2014 $	2013 $
Cash at banks and on hand	10,388,371	3,446,120	2,163,142	1,410,663

Cash and cash equivalents denominated in foreign currencies at 31 December are as follows:

	Group	
	2014 $	2013 $
United States Dollar	3,986	–
Malaysian Ringgit	21,816	538,213

17. Loans and borrowings

	Maturity	Group		Group	
		2014 $	2013 $	2014 $	2013 $
Current:					
Trust receipts	90-120 days	5,375,573	2,757,109	–	–
Factoring loans	30-90 days	2,888,092	–	–	–
Obligations under finance lease (Note 24(b))	2014	358,870	309,337	–	–
Term loans	2014	1,575,859	811,148	–	–
Mortgage loan	2014	714,334	–	714,334	–
		10,912,728	3,877,594	714,334	–
Non-current:					
Obligations under finance lease (Note 24(b))	2018	233,726	368,775	–	–
Mortgage loan	2029	12,085,666	–	12,085,666	–
		12,319,392	368,775	12,085,666	–
Total loans and borrowings		23,232,120	4,246,369	12,800,000	–

17. Loans and borrowings (cont'd)

Factoring loans

Factoring loans are denominated in SGD, bear interest of 3.50% to 4.38% per annum (2013: 5.00% per annum) and secured by corporate guarantee issued by the Company and certain entities in the Group.

Trust receipts

Trust receipts are denominated in SGD and bear interest of 2.78 % to 7.25% per annum (2013: 5.50% to 10.00% per annum). Trust receipts are secured by corporate guarantees issued by the Company.

Obligations under finance leases

The obligations are secured by a charge over the leased assets (Note 10). The discount rates implicit in the leases range from 3.07% to 7.49% per annum (2013: 3.73% to 8.74% per annum).

Term loans

Term loans are repayable by monthly instalments over one to three years and bear interest of 3.50% to 3.75% per annum (2013: 3.50% to 3.75% per annum). Certain term loans are secured by corporate guarantee issued by the Company and certain entities in the Group, as well as joint and personal guarantees from a director and a former director.

In addition to the basic loan terms and specific clauses defining default events, these term loans also include an overriding clause which gives the lenders the right to review the loans from time to time at their sole discretion. Upon review of these term loans, the lenders have the right to review, vary, reduce or terminate the facilities. Callable term loans should be classified as current in their entirety in the balance sheet as the borrowers do not have the unconditional right as at the reporting date to defer settlement for at least twelve months after the reporting date. As such, these term loans were classified as current liabilities, even though they are not scheduled for repayment within twelve months after the reporting date based on the scheduled repayment dates in the loan facility agreements.

Mortgage loan

Bank loan is repayable by monthly instalments over fifteen years. The interest of first year of the loan is 2.00% per annum over the prevailing 3-month bank's Cost of Fund ("COF") and from second year onwards, the interest of the loan is set at 1.875% per annum over the prevailing 3-month bank's COF.

The loan is secured by:

– Corporate guarantees issued by certain entities in the Group;

– First legal mortgage over the leasehold land and building at 53 Loyang Drive, Singapore 508957 (the "Property"); and

– Legal assignment of rental proceeds or charge over rental account to be executed of all current and future rental income of the Property in favor of the financial institution.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

18. Trade and other payables

	Group		Company	
	2014	**2013**	**2014**	**2013**
	$	$	$	$
Trade payables	8,502,365	5,103,380	–	–
Interest payable	50,074	–	–	–
GST payables	232,045	247,757	–	100,759
Retention payables	969,600	461,142	–	–
Other payables	325,694	300,676	95,358	79,964
Amounts due to subsidiaries	–	–	1,065,875	–
	10,079,778	6,112,955	1,161,233	180,723
Add: Loans and borrowings (Note 17)	22,232,120	4,246,369	12,800,000	–
Add: Other liabilities (Note 19)	5,546,431	1,916,341	236,707	179,320
Less: GST payables	(232,045)	(247,757)	–	(100,759)
Total financial liabilities carried at amortised costs	37,626,284	12,027,908	14,197,940	259,284

Trade payables/other payables

These amounts are non-interest bearing and are normally settled on 30 to 60 days' terms.

Trade payables denominated in foreign currencies as at 31 December are as follows:

	Group	
	2014	**2013**
	$	$
United States Dollar	657,674	503,002
Malaysian Ringgit	54,309	79,088

Amounts due to subsidiaries

These amounts are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Amounts due to subsidiaries are denominated in SGD.

Purchases from subsidiaries are made at terms equivalent to those prevailing in arm's length transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

19. Other liabilities

	Group		Company	
	2014 $	**2013** $	**2014** $	**2013** $
Accrued salaries and bonuses	1,699,480	906,932	129,615	–
Accrued operating expenses	3,846,951	1,009,409	107,092	179,320
	5,546,431	1,916,341	236,707	179,320

20. Share capital

	2014		2013	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At 1 January and 31 December	114,724,000	17,393,304	99,724,000	14,576,304

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

21. Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currency is different from that of the Group's presentation currency.

22. Premium paid on acquisition of non-controlling interests

This represents the difference between consideration paid and the carrying value of additional non-controlling interests acquired.

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

23. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place on terms agreed between the parties during the financial year:

(a) *Compensation of key management personnel*

	Group	
	2014	**2013**
	$	$
Salaries and bonuses	1,877,973	1,447,304
Central Provident Fund contributions	115,690	106,360
	1,993,663	1,553,664
Comprises amounts paid to:		
Directors of the Company	1,070,748	737,700
Other key management personnel	922,915	815,964
	1,993,663	1,553,664

(b) ***Personal guarantees by director***

As at 31 December 2014, certain directors of the Company have provided personal guarantees amounting to approximately $Nil (2013: $46,000) to secure certain loans and borrowings of the Group as disclosed in Note 17 to the financial statements.

As at 31 December 2014, certain directors of the Company have provided personal guarantees amounting to approximately $209,000 (2013: $486,000) to secure performance bonds of the Group.

24. Commitments

(a) *Operating lease commitments – as lessee*

The Group has entered into commercial leases for the rental of office equipment, factory equipment, office premises, motor vehicles and staff accommodation for foreign workers. These leases have an average life of between one and five years. There are no restrictions placed upon the Group by entering into these leases.

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 December 2014 amounted to $2,125,079 (2013: $1,170,226).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

24. Commitments (cont'd)

(a) *Operating lease commitments – as lessee* (cont'd)

Future minimum lease payments payable under non-cancellable operating leases as at the end of the reporting period are as follows:

	Group	
	2014	**2013**
	$	$
Not later than one year	1,239,780	1,104,180
Later than one year but not later than five years	1,167	5,247
	1,240,947	1,109,427

(b) *Finance lease commitments*

The Group has finance leases for certain items of plant and equipment. These leases have terms of purchase options.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	Group			
	2014		**2013**	
	Minimum lease payments	**Present value of payments**	**Minimum lease payments**	**Present value of payments**
	$	$	$	$
Not later than one year	379,003	358,870	332,758	309,337
Later than one year but not later than five years	246,578	233,726	394,585	368,775
Total minimum lease payments	625,581	592,596	727,343	678,112
Less: Amounts representing finance charges	(32,985)	–	(49,231)	–
Present value of minimum lease payments	592,596	592,596	678,112	678,112

NOTES
TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

25. Fair value of assets and liabilities

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value

The fair value of financial assets and liabilities by classes that are not carried at fair value and whose carrying amounts are not a reasonable approximation of fair value are as follows:

	2014		2013	
	Carrying amount $	Fair value $	Carrying amount $	Fair value $
Financial liabilities:				
– Obligations under finance leases (Note 24)	233,726	234,057	368,775	374,442

Determination of fair value

The fair values as disclosed in the table above are estimated by discounting expected future cash flows at market incremental lending rates for similar types of borrowing arrangements at the end of the reporting period.

26. Financial risk management policies and objectives

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The board of directors reviews and agrees policies and procedures for the management of these risks. It is, and has been throughout the years under review, the Group's policy that no derivatives shall be undertaken. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

26. Financial risk management policies and objectives (cont'd)

(a) *Credit risk* (cont'd)

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral.

Exposure to credit risk

At the end of the reporting period, the Group's maximum exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, which is represented by the carrying amount of each class of financial assets recognised in the balance sheets.

Credit risk concentration profile

At the end of the reporting period, approximately 39% (2013: 25%) of the Group's trade receivables were due from 5 major debtors located in Singapore.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 15 Trade and other receivables.

(b) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group's and the Company's liquidity risk management policy is to maintain sufficient liquid financial assets and stand-by credit facilities with different banks. In addition, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

26. Financial risk management policies and objectives (cont'd)

(b) *Liquidity risk* (cont'd)

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Analysis of financial instruments by remaining contractual maturities

The following tables summarise the maturity profile of the Group's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

	One year or less $	One to five years $	Total $
Group			
2014			
Financial assets:			
Trade and other receivables	9,465,888	–	9,465,888
Cash and cash equivalents	10,388,371	–	10,388,371
Total undiscounted financial assets	19,854,259	–	19,854,259
Financial liabilities:			
Trade and other payables	10,079,778	–	10,079,778
Other liabilities	5,546,431	–	5,546,431
Loans and borrowings	11,405,772	12,629,553	24,035,325
Total undiscounted financial liabilities	27,031,981	12,629,553	39,661,534
Total net undiscounted financial liabilities	(7,177,722)	(12,629,553)	(19,807,275)
2013			
Financial assets:			
Trade and other receivables	5,995,245	–	5,995,245
Cash and cash equivalents	3,446,120	–	3,446,120
Total undiscounted financial assets	9,441,365	–	9,441,365
Financial liabilities:			
Trade and other payables	6,112,955	–	6,112,955
Other liabilities	1,916,341	–	1,916,341
Loans and borrowings	3,911,084	394,585	4,305,669
Total undiscounted financial liabilities	11,940,380	394,585	12,334,965
Total net undiscounted financial liabilities	(2,499,015)	(394,585)	(2,893,600)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

26. Financial risk management policies and objectives (cont'd)

(b) *Liquidity risk* (cont'd)

	One year or less $	One to five years $	Total $
Company			
2014			
Financial assets:			
Trade and other receivables	1,741,685	–	1,741,685
Cash and cash equivalents	2,163,142	–	2,163,142
Total undiscounted financial assets	3,904,827	–	3,904,827
Financial liabilities:			
Trade and other payables	1,161,233	–	1,161,233
Other liabilities	236,707	–	236,707
Loans and borrowings	731,907	12,382,973	13,114,880
Total undiscounted financial liabilities	2,129,847	12,382,973	14,512,820
Total net undiscounted financial assets	1,774,980	(12,382,973)	(10,607,993)
2013			
Financial assets:			
Trade and other receivables	1,205,627	–	1,205,627
Cash and cash equivalents	1,410,663	–	1,410,663
Total undiscounted financial assets	2,616,290	–	2,616,290
Financial liabilities:			
Trade and other payables	180,723	–	180,723
Other liabilities	179,320	–	179,320
Total undiscounted financial liabilities	360,043	–	360,043
Total net undiscounted financial assets	2,256,247	–	2,256,247

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

26. Financial risk management policies and objectives (cont'd)

(b) *Liquidity risk* (cont'd)

The table below shows the contractual expiry by maturity of the Company's contingent liabilities and commitments. The maximum amount of the financial guarantee contacts are allocated to the earliest period in which the guarantee could be called.

	1 year or less $	Total $
Company		
2014		
Issued guarantees for bank facilities utilised by subsidiaries	1,575,859	1,575,859
2013		
Issued guarantees for bank facilities utilised by subsidiaries	765,470	765,470

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from floating rate term loan for the financial years ended 31 December 2014 and 2013.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2013: Nil) basis points lower/higher with all other variables held constant, the Group's profit after tax would have been $106,240 (2013: Nil) higher/lower, arising mainly as a result of higher/lower interest expense on floating rate term loan.

(d) *Foreign currency risk*

The Group has transactional currency exposures arising from purchases that are denominated in a currency other than the respective functional currencies of the Group entities, Singapore Dollar (SGD) and Malaysian Ringgit (MYR). The foreign currencies in which most of these transactions are denominated in Malaysian Ringgit (MYR) and United States Dollars (USD). Approximately 19% (2013: 27%) of costs are denominated in foreign currencies. The Group's trade payable balances at the end of the reporting period have similar exposures.

The Group also holds cash and cash equivalents denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balance is mainly in MYR.

26. Financial risk management policies and objectives (cont'd)

(d) *Foreign currency risk* (cont'd)

Sensitivity analysis for foreign currency risks

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the MYR and USD exchange rates against the functional currency of the Group, with all other variables held constant.

		Group Profit before tax	
		2014	**2013**
		$	$
MYR/SGD	- strengthened 5% (2013: 5%)	(1,348)	19,054
	- weakened 5% (2013: 5%)	1,348	(19,054)
USD/SGD	- strengthened 5% (2013: 5%)	(27,128)	(20,875)
	- weakened 5% (2013: 5%)	27,128	20,875

27. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2014 and 2013.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables, other liabilities and loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to the owners of the Company.

		Group	
	Note	**2014**	**2013**
		$	$
Loans and borrowings	17	23,232,120	4,246,369
Trade and other payables	18	10,079,778	6,112,955
Other liabilities	19	5,546,431	1,916,341
Less: Cash and cash equivalents	16	(10,388,371)	(3,446,120)
Net debt		28,469,958	8,829,545
Equity attributable to the owners of the Company		17,803,661	10,847,414
Capital and net debt		46,273,619	19,676,959
Gearing ratio		62%	45%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Segment reporting

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(1) *Investment holding*

The investment holding segment includes investment in property and investment in subsidiaries deriving income such as dividend, interest, rental as well as provision of management advisory services to its subsidiaries.

(2) *Mechanical and electrical*

The mechanical and electrical segment includes the contracting and installation of air-conditioning and mechanical ventilation ("ACMV"), fire alarms and fire protection systems, electrical systems as well as sanitary and plumbing systems for residential, commercial and industrial building.

(3) *Manufacturing*

The manufacturing segment includes the manufacturing and sale of ACMV ducts and trading of ACMV relates products.

(4) *Building and constructions solutions*

The building and constructions solutions segment includes those of general contractors, building construction and major upgrading works.

Except as indicated above, no operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2014

28. Segment reporting (cont'd)

	Investment holding $	Mechanical and electrical $	Manu-facturing $	Building and constructions solution $	Adjustments and eliminations $	Note	Total $
31 December 2014							
Revenue:							
External customers	–	46,032,487	16,205,876	1,462,931	(34,176)		63,667,118
Inter-segment	–	–	2,515,723	–	(2,515,723)	A	–
Total revenue	–	46,032,487	18,721,599	1,462,931	(2,549,899)		63,667,118
Results:							
Segment results	–	10,803,344	3,445,252	(205,969)	938,360	B	14,980,987
Depreciation	(250)	(202,857)	(227,346)	(9,201)	–		(439,654)
Impairment of contract in progress	–	(685,898)	–	–	–		(685,898)
Write back/ (impairment) of trade receivables	–	(31,425)	(72,702)	–	–		(104,127)
Bad debt written off	–	(550,000)	–	–	–		(550,000)
Other income	3,041,900	731,235	341,859	125,433	(3,978,359)	C	262,068
Finance costs	(35,627)	(220,408)	(225,649)	–	–		(481,684)
Other expenses	(2,736,369)	(4,912,668)	(2,167,824)	(889,282)	2,996,008	C	(7,710,135)
Profit/(loss) before tax	269,654	4,931,323	1,093,590	(979,019)	(43,991)	C	5,271,557
Income tax (expense)/ credit	(29,730)	(11,946)	8,493	4,576	–		(28,607)
Profit/(loss) for the financial year	239,924	4,919,377	1,102,083	(974,443)	(43,991)	C	5,242,950
Assets:							
Additions to property, plant and equipment	16,483,588	708,849	906,152	22,627	–		18,121,216
Segment assets	16,581,882	24,696,593	11,139,498	924,720	(14,563,434)	D	38,778,259
Liabilities:							
Segment liabilities	14,197,940	18,155,199	7,562,391	1,201,283	(2,020,999)	D	39,095,814

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Segment reporting (cont'd)

	Investment holding $	Mechanical and electrical $	Manu-facturing $	Building and constructions solution $	Adjustments and eliminations $	Note	Total $
31 December 2013							
Revenue:							
External customers	–	17,560,390	13,944,276	23,065	–		31,527,731
Inter-segment	–	–	1,048,172	–	(1,048,172)	A	–
Total revenue	–	17,560,390	14,992,448	23,065	(1,048,172)		31,527,731
Results:							
Segment results	–	1,611,594	3,144,018	(597)	719,999	B	5,475,014
Depreciation	–	(172,228)	(157,951)	(11,214)	–		(341,393)
Impairment of contract in progress	–	(292,951)	–	–	–		(292,951)
Write back/(impairment) of trade receivables	–	(670,429)	42,313	–	–		(628,116)
Other income	2,050,000	1,638,255	271,020	30,198	(2,579,492)	C	1,409,981
Finance costs	–	(163,998)	(212,833)	–	(8,653)		(385,484)
Other expenses	(1,647,665)	(2,534,068)	(2,630,491)	(313,398)	2,059,478	C	(5,066,144)
Profit/(loss) before tax	402,335	(583,825)	456,076	(295,011)	191,332	C	170,907
Income tax expense	–	154,191	49,745	–	1,906	C	205,842
Profit /(loss) for the financial year	402,335	(429,634)	505,821	(295,011)	193,238	C	376,749
Assets:							
Additions to property, plant and equipment	576,339	1,051,901	400	–	–		1,628,640
Segment assets	13,691,101	13,279,780	10,351,570	89,794	(15,720,326)	D	21,691,919
Liabilities:							
Segment liabilities	360,043	10,300,813	5,970,796	69,287	(4,237,842)	D	12,463,097

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

28. Segment reporting (cont'd)

Notes Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements:

A Inter-segment revenues are eliminated on consolidation.

B Inter-segment revenues and cost of sales are eliminated on consolidation.

C Inter-segment expenses and management fees are eliminated on consolidation.

D Intercompany balances are eliminated on consolidation.

Geographical information

No geographical information is presented as the Group operates in Singapore only.

Information about major customers

Revenue from three (2013: three) of the Group's major customers amounted to $30,389,724 (2013: $7,400,561), arising from the Mechanical and Electrical segment.

29. Dividends

	Group and Company	
	2014	**2013**
	$	$
Declared and paid during the financial year:		
Dividend on ordinary shares:		
- Final exempt (one-tier) dividend for 2013: 0.20 cents (2012: Nil)	299,172	–
- Interim exempt (one-tier) dividend for 2014: 0.50 cents (2013: Nil)	498,620	–
	797,792	–
Proposed but not recognised as a liability as at 31 December:		
Dividend on ordinary shares:		
- Final exempt (one-tier) dividend for 2014: 0.70 cents (2013: 0.30 cents)	803,068	299,172

Proposed dividends are on ordinary shares, subject to shareholders' approval at annual general meeting.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2014

30. Events occurring after the reporting period

On 16 March 2015, the Company has entered into a conditional sale and purchase agreement with an independent party, Mr. Kong Ong Sing to purchase the entire issued share capital of Cyber Builders Pte Ltd ("CBPL") for an aggregate consideration of Singapore Dollar $999,900 which shall be fully satisfied by issuance and allotment of 4,545,000 new ordinary shares ("Consideration Shares") in the Company at an issue price of S$0.22 per share.

Upon completion of the conditional sale and purchase agreement, the Company's issued and paid-up share capital will increase from 114,724,000 shares to 119,269,000 shares. The Consideration Shares represents 3.96% of the existing issued and paid-up share capital of the Company as at 17 March 2015 and approximately 3.81% of the enlarged issued and paid-up share capital of the Company following the allotment and issuance of the Consideration Shares.

The provisional fair values of the identifiable assets and liabilities of CBPL as at the date of acquisition were not disclosed as the initial accounting is incomplete as at the date of the financial statements.

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a resolution of the directors on 31 March 2015.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2015

SHARE CAPITAL

Number of issued shares	:	114,724,000
Class of shares	:	Ordinary shares fully paid
Voting rights	:	(On a poll) One vote for each ordinary share
Treasury shares	:	Nil

DISTRIBUTION OF SHAREHOLDERS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	–	–	–	–
100 – 1,000	10	1.67	9,100	0.01
1,001 – 10,000	148	24.75	1,191,000	1.04
10,001 – 1,000,000	428	71.57	31,485,600	27.44
1,000,001 and above	12	2.01	82,038,300	71.51
Total	**598**	**100.00**	**114,724,000**	**100.00**

TWENTY LARGEST SHAREHOLDERS

	SHAREHOLDER'S NAME	NO. OF SHARES HELD	%
1	CHU SAU BEN	41,928,000	36.55
2	HONG LEONG FINANCE NOMINEES PTE LTD	10,190,000	8.88
3	OCBC SECURITIES PRIVATE LTD	5,320,200	4.64
4	CHONG YEAN FONG	5,000,000	4.36
5	SBS NOMINEES PTE LTD	5,000,000	4.36
6	HSBC (SINGAPORE) NOMINEES PTE LTD	3,900,000	3.40
7	PHILLIP SECURITIES PTE LTD	3,158,200	2.75
8	CITIBANK NOMINEES SINGAPORE PTE LTD	2,193,000	1.91
9	ENG KOON HOCK	1,716,000	1.50
10	MAYBANK KIM ENG SECURITIES PTE LTD	1,595,900	1.39
11	DBS NOMINEES PTE LTD	1,028,000	0.90
12	UOB KAY HIAN PTE LTD	1,009,000	0.88
13	LEE CHOO CHIEN (LI ZUJIAN)	740,000	0.65
14	TERENCE YEUNG CHI HUNG	720,000	0.63
15	DONG FA GEN	656,000	0.57
16	RAFFLES NOMINEES (PTE) LTD	557,000	0.49
17	CHOY SIEW FONG OR KENNETH ONG ENG HOCK	500,000	0.44
18	PANG SEE KIN	500,000	0.44
19	SIM POH PING	500,000	0.44
20	YEE LAT SHING	500,000	0.44
	TOTAL	**86,711,300**	**75.62**

STATISTICS OF SHAREHOLDINGS
As at 23 March 2015

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 23 March 2015 were:

	No. of Ordinary Shares			
Name	**Direct Interest**	**%**	**Indirect Interest**	**%**
Chu Sau Ben	41,928,000	36.55	17,320,000[1]	15.09

Note:
[1] Mr Chu Sau Ben is the beneficial owner of (i) the 9,720,000 issued ordinary shares pledged to and registered in the name of Hong Leong Finance Nominees Pte. Ltd.; (ii) the 2,600,000 issued ordinary shares pledged to and registered in the name of Philip Financial Pte. Ltd. and (iii) the 5,000,000 issued ordinary shares pledged to and registered in the name of SBS Nominees Private Limited.

PUBLIC FLOAT

Based on the information available to the Company as at 23 March 2015, approximately 48.36% of the Company's issued ordinary shares was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of Libra Group Limited (the "**Company**") will be held at Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Friday, 24 April 2015 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and the Audited Accounts of the Company for the financial year ended 31 December 2014 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve a final one-tier tax exempt dividend of 0.70 Singapore cents per ordinary share for the financial year ended 31 December 2014 (2013: 0.30 Singapore cents). *[See Explanatory Note (i)].* **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Article 93 of the Company's Articles of Association:

   Mr Yuen Sou Wai **(Resolution 3)**

   Mr Eng Meng Leong **(Resolution 4)**

   Mr. Yuen Sou Wai will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees. He will be considered independent for the purposes of Rule 704(7) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") ("Rules of Catalist").

   Mr. Eng Meng Leong will, upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. He will be considered independent for the purposes of Rule 704(7) of the Rules of Catalist.

   Information on Mr. Yuen Sou Wai and Mr. Eng Meng Leong can be found on page 17 and 37 of the annual report.

4. To approve the payment of Directors' fees of S$160,000 for the financial year ending 31 December 2015, payable half yearly in arrears (2014: S$160,000). **(Resolution 5)**

5. To re-appoint Ernst & Young LLP, Public Accountants and Chartered Accountants, as the Company's auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to allot and issue shares**

   "That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the "**Act**") and Rule 806 of the Rules of Catalist, authority be and is hereby given to the Directors of the Company to:

   (a) (i) allot and issue shares in the capital of the Company ("**Shares**") (whether by way of rights, bonus or otherwise); and/or

NOTICE
OF ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:-

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this resolution), to be issued pursuant to this resolution does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such manner of calculations as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the total number of issued Shares (excluding treasury shares) at the time this resolution is passed after adjusting for:-

(i) new Shares arising from the conversion or exercise of any convertible securities;

(ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time of the passing of this resolution, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Rules of Catalist; and

(iii) any subsequent bonus issue, consolidation or sub-division of Shares.

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Rules of Catalist for the time being in force (unless such compliance has been waived by the SGX-ST), and all applicable legal requirements under the Act and the Articles of Association for the time being of the Company; and

(4) unless revoked or varied by the Company in general meeting, the authority conferred by this resolution shall continue in force until the conclusion of the next annual general meeting of the Company is required by law to be held, whichever is the earlier. *[See Explanatory Note (ii)]*.

(Resolution 7)

8. **Authority to grant awards ("Awards") and issue Shares under the Libra Performance Share Plan ("Plan")**

That the Directors of the Company be and are hereby authorised to:

(a) grant Awards in accordance with the provisions of the Plan; and

(b) allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to the vesting of the Awards granted under the Plan; and

NOTICE OF ANNUAL GENERAL MEETING

(c) (notwithstanding the authority conferred by this resolution may have ceased to be in force) allot and issue fully paid-up Shares pursuant to the vesting of any Awards granted by the Directors in accordance with the Plan while this resolution was in force,

Provided that the aggregate number of new Shares to be allotted and issued, when aggregated with the new Shares issued and/or issuable and the existing Shares delivered and/or deliverable in respect of all Awards granted under the Plan, and all Shares, options or awards granted under any other share scheme of the Company in force, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) from time to time, such authority (unless revoked or varied by the Company in general meeting) shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier. *[See Explanatory Note (iii)]*. **(Resolution 8)**

By Order of the Board

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore, 9 April 2015

Explanatory Notes:

(i) The Ordinary Resolution 2 proposed in item 2 above, if passed, will make total dividends of 1.20 Singapore cents per ordinary share for FY2014 including the interim dividend of 0.50 Singapore cents per ordinary share which was paid in September 2014.

(ii) The Ordinary Resolution 7 proposed in item 7 above, if passed, will empower the Directors from the date of the above AGM until the date of the next AGM, to allot and issue Shares and convertible securities in the Company. The aggregate number of Shares and convertible securities, which the Directors may allot and issue under this resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) at the time of passing this resolution. For allotment and issue of Shares and convertible securities other than on a pro-rata basis to all shareholders of the Company, the aggregate number of Shares and convertible securities to be allotted and issued shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares). This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM.

(iii) The Ordinary Resolution 8 proposed in item 8 above, if passed, will empower the Directors to offer and grant Awards and to issue Shares pursuant to the Plan, provided that the aggregate number of Shares under the Plan and such other awards or options granted under any share scheme of the Company in force, shall not exceed fifteen per cent (15%) of the total number of issued Shares (excluding treasury shares) from time to time.

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy needs not be a member of the Company.
2. If the appointor is a corporation, the instrument appointing a proxy must be executed under seal or the hand of its duly authorised officer or attorney.
3. The instrument appointing a proxy must be deposited at the registered office of the Company at **101 Defu Lane 10, Singapore 539222** not less than forty-eight (48) hours before the time appointed for holding the AGM.

NOTICE OF BOOKS CLOSURE DATE AND DIVIDEND PAYMENT

NOTICE IS HEREBY GIVEN that subject to the approval of shareholders ("**Shareholders**") of Libra Group Limited (the "**Company**") at the forthcoming Annual General Meeting of the Company being obtained for the proposed final one-tier tax exempt dividend of 0.70 Singapore cents per ordinary share in the capital of the Company ("**Share**") for the financial year ended 31 December 2014 ("**Final Dividend**"), the Share Transfer Books and Register of Members of the Company will be closed on 30 April 2015 for the purpose of determining Shareholders' entitlements to the proposed Final Dividend.

Duly completed transfers in respect of Shares received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road #02-00, Singapore 068898 up to 5.00 p.m. on 29 April 2015 will be registered to determine Shareholders' entitlements to the Final Dividend. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 29 April 2015 will be entitled to the Final Dividend.

Subject to the approval of Shareholders at the forthcoming AGM, the proposed Final Dividend will be paid on 11 May 2015.

By Order of the Board

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore, 9 April 2015

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

LIBRA GROUP LIMITED

(Company Registration Number: 201022364R)
(Incorporated in the Republic of Singapore on 20 October 2010)

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

*I/We, ____ (Name)

______________________________________ (NRIC No./Passport No./Company Registration No.)

of ____ (Address)
being *a member/members of LIBRA GROUP LIMITED (the "**Company**"), hereby appoint:

Name	*** NRIC/Passport No**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

and/or (delete as appropriate)

Name	*** NRIC/Passport No.**	**Proportion of Shareholdings**	
		Number of Shares	**%**
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting ("**AGM**") of the Company to be held at Orchid Country Club, 1 Orchid Club Road, Singapore 769162 on Friday, 24 April 2015 at 2.00 p.m. and at any adjournment thereof. The proxy is to vote on the business before the AGM as indicated below. If no specific direction as to voting is given, the proxy will vote or abstain from voting at his/her discretion, as he/she will on any other matter arising at the AGM:

If you wish to exercise all your votes "For" or "Against", please indicate with a tick [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.

No.	**Resolutions relating to:**	**For**	**Against**
1	Directors' Report and Audited Accounts for the financial year ended 31 December 2014		
2	Approval of a final one-tier tax exempt dividend of 0.70 Singapore cents per ordinary share for the financial year ended 31 December 2014		
3	Re-election of Mr Yuen Sou Wai as a Director of the Company		
4	Re-election of Mr Eng Meng Leong as a Director of the Company		
5	Approval of Directors' fees amounting to S$160,000 for the financial year ending 31 December 2015, payable half yearly in arrears		
6	Re-appointment of Ernst & Young LLP, Public Accountants and Chartered Accountants, as auditors of the Company and to authorise the Directors to fix their remuneration		
7	General authority to allot and issue shares		
8	Authority to grant Awards and allot and issue new shares under the Libra Performance Share Plan		

Dated this ____________________ day of ____________________ 2015

Total number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

____
Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

* Delete accordingly.

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.

2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **101 Defu Lane 10, Singapore 539222** not less than forty-eight (48) hours before the time appointed for the AGM.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

LIBRA
GROUP LIMITED

101 Defu Lane 10
Singapore 539222
Tel: (65) 6844 2683 • **Fax**: (65) 6844 4378
www.libragroup.com.sg