DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2012 AND CATALIST RULES

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 2015 ("**FY2015**"), 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>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></td><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></td><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 FY2015.</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>As at the date of this annual report, the Board has 5 members and comprises the following:

<i>Table 1.1 – Composition of the Board</i>
<table>
<tr><th>Name of Director</th><th>Designation</th></tr>
<tr><td colspan="2">Current Directors</td></tr>
<tr><td>Chu Sau Ben</td><td>Executive Chairman and Chief Executive Officer ("CEO")</td></tr>
<tr><td>Xu Ruibing (1)</td><td>Executive Director</td></tr>
<tr><td>Yuen Sou Wai</td><td>Lead Independent Director</td></tr>
<tr><td>Kong Chee Keong</td><td>Independent Director</td></tr>
<tr><td>Soon Ai Kwang (2)</td><td>Independent Director</td></tr>
<tr><td colspan="2">Past Directors</td></tr>
<tr><td>Eng Meng Leong (3)</td><td>Independent Director</td></tr>
<tr><td>Chua Siong Kiat, Alex (4)</td><td>Executive Director and Chief Financial Officer ("CFO")</td></tr>
</table>
Notes:
(1) Mr Xu Ruibing was appointed as an Executive Director of the Company with effect from 20 August 2015.
(2) Mr Soon Ai Kwang was appointed as an Independent Director of the Company with effect from 18 September 2015.
(3) Mr Eng Meng Leong had resigned from the Board as an Independent Director of the Company with effect from 18 September 2015.
(4) Mr Chua Siong Kiat, Alex, had resigned from the Board as an Executive Director and Chief Financial Officer of the Company with effect from 29 September 2015. He was also the Chief Risk Officer of the Risk Committee prior to his resignation.</td></tr>
</table>

<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>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board's principle functions are to:
• 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
11.4</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:

<i>Table 1.3 – Composition of the Board Committees</i>
<table>
<tr><th></th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Chairman</td><td>Yuen Sou Wai</td><td>Soon Ai Kwang</td><td>Kong Chee Keong</td></tr>
<tr><td>Member</td><td>Kong Chee Keong</td><td>Yuen Sou Wai</td><td>Yuen Sou Wai</td></tr>
<tr><td>Member</td><td>Soon Ai Kwang</td><td>Kong Chee Keong</td><td>Soon Ai Kwang</td></tr>
</table>

The Company had formed the Risk Committee in November 2012. The CFO of the Company (the position of which was held by Mr Chua Siong Kiat, Alex up to 29 September 2015, and held by Mr Lim Boon Ping with effect from 15 February 2016) serves as the Chief Risk Officer ("CRO"). Mr Chu Sau Ben, Mr Yuen Sou Wai, Mr Kong Chee Keong, Mr Eng Meng Leong (prior to 18 September 2015) and Mr Soon Ai Kwang (with effect from 18 September 2015) serve as members of the Risk Committee. At each Risk Committee 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 in 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.

In FY2015, the number of the Board and Board Committee meetings held and the attendance of each Board member are shown below.</td></tr>
</table>

<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>
<p><i>Table 1.4 – Board and Board Committee Meetings in FY2015</i></p>
<table>
<tr><th></th><th>Board</th><th>AC</th><th>NC</th><th>RC</th></tr>
<tr><td>Number of Meetings Held</td><td>6</td><td>4</td><td>1</td><td>2</td></tr>
<tr><td>Name of Director</td><td colspan="4">Number of Meetings Attended</td></tr>
<tr><td>Chu Sau Ben</td><td>6</td><td>4 (1)</td><td>1 (1)</td><td>2 (1)</td></tr>
<tr><td>Chua Siong Kiat, Alex (2)</td><td>6</td><td>3 (1)</td><td>1 (1)</td><td>2 (1)</td></tr>
<tr><td>Xu Ruibing (3)</td><td>N/A</td><td>N/A</td><td>N/A</td><td>N/A</td></tr>
<tr><td>Yuen Sou Wai</td><td>6</td><td>4</td><td>1</td><td>2</td></tr>
<tr><td>Kong Chee Keong</td><td>6</td><td>4</td><td>1</td><td>2</td></tr>
<tr><td>Eng Meng Leong (4)</td><td>4</td><td>3</td><td>1</td><td>1</td></tr>
<tr><td>Soon Ai Kwang (5)</td><td>N/A</td><td>0</td><td>N/A</td><td>N/A</td></tr>
</table>
<p>Notes:
(1) By invitation.
(2) Mr Chua Siong Kiat, Alex had resigned as an Executive Director and the CFO of the Company with effect from 29 September 2015.
(3) Mr Xu Ruibing was appointed as an Executive Director of the Company with effect from 20 August 2015.
(4) Mr Eng Meng Leong had resigned as an Independent Non-Executive Director of the Company with effect from 18 September 2015.
(5) Mr Soon Ai Kwang was appointed as an Independent Non-Executive Director of the Company with effect from 18 September 2015.</p>
<p>The Company's Constitution (the "Constitution") allow for meetings to be held through tele-conferences, video-conferencing, audio visual or other electronic means of communication.</p>
</td></tr>
<tr><td>1.5</td><td>What are the types of material transactions which require approval from the Board?</td><td>
<p>Matters that require the Board's approval include, amongst others, the following:</p>

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.

</td></tr>
<tr><td>1.6</td><td>(a) Are new Directors given formal training? If not, please explain why.</td><td>
<p>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.</p>
<p>The Directors also have access to further relevant training, particularly on relevant new laws, regulations and changing commercial risks, from time to time, at the expense of the Company.</p>
</td></tr>
<tr><td></td><td>(b) What are the types of information and training provided to (i) new Directors and (ii) existing Directors to keep them up-to-date?</td><td>
<p>Briefings, updates and trainings for the Directors in FY2015 included:</p>

The external auditors ("EA") had briefed the AC on changes or amendments to accounting standards;

</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		• 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; and • Some of the Directors had attended the listed company director programmes and directors' conference 2015-Board and innovation conducted by the Singapore Institute of Directors.
1.7	Upon appointment of each director, the company should provide a formal letter to the director, setting out the director's duties and obligations.	Formal letters of appointment were furnished to the newly-appointed directors, Mr Xu Ruibing and Mr Soon Ai Kwang, upon their appointments during FY2015, explaining among other matters, the roles, obligations, duties and responsibilities as a member of the Board.
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 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 more than half 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 21 Ubi Road 1 #02-02, Singapore 408724.
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. (b) What are the Board's reasons for considering him independent? Please provide a detailed explanation.	There are no Directors 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.
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.
2.5	The Board should examine its size and, with a view to determining the impact of the number upon effectiveness, decide on what it considers an appropriate size for the Board, which facilitates effective decision making.	The NC is responsible for examining the size and composition of the Board and Board Committees. Having considered the scope and nature of the Group's businesses, the requirements of the business, the Board, in concurrence with the NC, considers the current size and existing composition of the Board and Board Committees effectively serve the Group.

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td>2.6</td><td>(a) What is the Board's policy with regard to diversity in identifying director nominees?</td><td>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.</td></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>2</td><td>2/5</td></tr>
<tr><td>– Business management</td><td>5</td><td>5/5</td></tr>
<tr><td>– Legal or corporate governance</td><td>2</td><td>2/5</td></tr>
<tr><td>– Relevant industry knowledge or experience</td><td>3</td><td>3/5</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>3</td><td>3/5</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>2.7</td><td>Non-executive directors should:
(a) constructively challenge and help develop proposals on strategy; and
(b) review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance</td><td>All of the Company's Non-Executive Directors are also Independent Directors. The Management provides the Independent Directors with accurate, complete and timely information. Further, the Independent Directors have unrestricted access to Management and the auditors and Company Secretary. The Independent Directors also have access to the Management to query and request for further information on proposed significant transactions and the development of business strategies. The Independent Directors also review the performance of Management in meeting agreed goals and objectives and monitor reporting of performance. Such performance review is done annually and the Independent Directors provide their feedback to the Board in relation to the Management's performance.</td></tr>
<tr><td>2.8</td><td>Have the Non-Executive Directors met in the absence of key management personnel in the last financial year?</td><td>The Non-Executive Directors have met once in the absence of key management personnel in FY2015.</td></tr>
<tr><td colspan="3"><u>Chairman and Chief Executive Officer</u></td></tr>
<tr><td>3.1
3.2</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</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		• Sufficient safeguards and checks 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. The duties of the Executive Chairman and CEO 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 the other Directors?	The Independent Directors had met once in the absence of the other directors in FY2015.
<u>Board Membership</u>		
4.1 4.2	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 Company's Constitution 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.
4.4	(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?	The Board has not capped the maximum number of listed company board representations each Director may hold.

<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) 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></td><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 had discharged their duties adequately in FY2015.</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><i>Table 4.6(a) – Process for the Selection and Appointment of New Directors</i>
<table>
<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>
<i>Table 4.6(b) – Process for the Re-electing Incumbent Directors</i>
<table>
<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></td></tr>
</table>

<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>Under the Company's Constitution, 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 Soon Ai Kwang, Mr Xu Ruibing and Mr Kong Chee Keong be nominated for re-election at the forthcoming AGM, in accordance with Regulations 92 and 93 of the Constitution.
Mr Soon Ai Kwang will upon re-election as a Director of the Company, remain as an Independent Director, Chairman of the NC and a member of the RC and AC. Mr Soon Ai Kwang is considered by the Board to be independent for the purposes of the Rule 704(7) of the Catalist Rules.
Mr Xu Ruibing, will upon re-election, remain as the Executive Director of the Company. Mr Kong Chee Keong, will upon re-election, remain as an Independent Director, Chairman of the RC and a member of the AC and NC. Mr Kong Chee Keong is considered by the Board to be independent for the purposes of the Rules 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.
<table>
<tr><th rowspan="2">Name of Director</th><th rowspan="2">Appointment</th><th rowspan="2">Date of initial appointment</th><th rowspan="2">Date of last re-election</th><th colspan="2">Directorships in other listed companies</th></tr>
<tr><th>Current</th><th>Past 3 Years</th></tr>
<tr><td>Chu Sau Ben</td><td>Executive Chairman and Chief Executive Officer</td><td>20 October 2010</td><td>23 April 2014</td><td>–</td><td>–</td></tr>
<tr><td>Xu Ruibing</td><td>Executive Director (appointed w.e.f. 20 August 2015)</td><td>20 August 2015</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Yuen Sou Wai</td><td>Lead Independent Director</td><td>4 October 2011</td><td>24 April 2015</td><td>(1) Chew's Group Limited
(2) YHI International Limited
(3) Huationg Global Limited</td><td>–</td></tr>
<tr><td>Soon Ai Kwang</td><td>Independent Director (appointed w.e.f. 18 September 2015)</td><td>18 September 2015</td><td>–</td><td>–</td><td>–</td></tr>
<tr><td>Kong Chee Keong</td><td>Independent Director</td><td>24 April 2013</td><td>23 April 2014</td><td>–</td><td>–</td></tr>
</table>
</td></tr>
</table>

<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>Board Performance</u></td></tr>
<tr><td>5.1
5.2
5.3</td><td>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?</td><td>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:

<i>Table 5</i>
<table>
<tr><th>Performance Criteria</th><th>Board and Board Committees</th><th>Individual Directors</th></tr>
<tr><td>Qualitative</td><td>1. Size and composition
2. Access to information
3. Board processes
4. Board accountability
5. Risk management
6. Succession planning
7. Overall effectiveness</td><td>1. Commitment of time
2. Knowledge and abilities
3. Teamwork
4. Independence (if applicable)
5. Overall effectiveness</td></tr>
<tr><td>Quantitative</td><td>1. Earnings per share
2. Net tangible assets per share
3. Operating cash flow</td><td>1. Attendance at Board and Board Committee meetings</td></tr>
</table>
</td></tr>
<tr><td rowspan="2"></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 FY2015, 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 NC discussed the questionnaire results 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>(b) Has the Board met its performance objectives?</td><td>Yes, the Board has met its performance objectives.</td></tr>
</table>

<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
6.2
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><i>Table 6 – Types of information provided by key management personnel to Independent Directors</i>
<table>
<tr><th></th><th>Information</th><th>Frequency</th></tr>
<tr><td>1.</td><td>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.</td><td>Updates to the Group’s operations and the markets in which the Group operates in</td><td>Every meeting</td></tr>
<tr><td>3.</td><td>Budgets and/or forecasts (with variance analysis), and management accounts (with financial ratios analysis)</td><td>Every meeting</td></tr>
<tr><td>4.</td><td>Reports on on-going or planned corporate actions</td><td>Every meeting</td></tr>
<tr><td>5.</td><td>Enterprise risk framework and internal auditors’ (“IA”) report(s)</td><td>Half yearly</td></tr>
<tr><td>6.</td><td>Research report(s)</td><td>Regularly</td></tr>
<tr><td>7.</td><td>Shareholding statistics</td><td>Yearly</td></tr>
<tr><td>8.</td><td>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
6.4</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 Constitution, 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
• 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.</td></tr>
<tr><td>6.5</td><td>The Board should have a procedure for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, and at the company’s expense.</td><td>Management will, upon direction by the Board or any Director, assist the Directors, either individually or as a group, to obtain independent professional advice in furtherance of their duties at the Company’s expense.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td colspan="3">REMUNERATION MATTERS</td></tr>
<tr><td colspan="3"><u>Developing Remuneration Policies</u></td></tr>
<tr><td>7.1
7.2
7.4</td><td>What is the role of the RC?</td><td>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.</td></tr>
<tr><td>7.3</td><td>Were remuneration consultants engaged in the last financial year?</td><td>No remuneration consultants were engaged by the Company in FY2015.</td></tr>
<tr><td colspan="3"><u>Disclosure on Remuneration</u></td></tr>
<tr><td>9
8.4</td><td>What is the Company's remuneration policy?</td><td>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 without being excessive to the extent that their independence might be compromised. The Company also considers the use of contractual provisions to reclaim incentive components of remuneration from executive directors and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.</td></tr>
<tr><td>9.1
9.2</td><td>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?</td><td>The bands and breakdown for the remuneration of the Directors in FY2015 were as follows:

<i>Table 9.2 – Remuneration of the Directors</i>
<table>
<tr><th></th><th>Salary
%</th><th>Variable Bonus
%</th><th>Director's Fees
%</th><th>Benefits (5)
%</th><th>Total
%</th></tr>
<tr><td colspan="6">Between S$1,250,000 to S$1,500,000</td></tr>
<tr><td>Chu Sau Ben</td><td>49</td><td>48</td><td>–</td><td>3</td><td>100</td></tr>
<tr><td colspan="6">Between S$250,000 to S$500,000</td></tr>
<tr><td>Xu Ruibing (1)</td><td>76</td><td>13</td><td>–</td><td>11</td><td>100</td></tr>
<tr><td>Chua Siong Kiat, Alex (2)</td><td>39</td><td>51</td><td>–</td><td>10</td><td>100</td></tr>
<tr><td colspan="6">Below S$250,000</td></tr>
<tr><td>Yuen Sou Wai</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Kong Chee Keong</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Soon Ai Kwang (3)</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
<tr><td>Eng Meng Leong (4)</td><td>–</td><td>–</td><td>100</td><td>–</td><td>100</td></tr>
</table></td></tr>
</table>

<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>
Notes:
[1] Mr Xu Ruibing was appointed as an Executive Director of the Company with effect from 20 August 2015.
[2] Mr Chua Siong Kiat, Alex, had resigned from the Board as an Executive Director and Chief Financial Officer of the Company with effect from 29 September 2015.
[3] Mr Soon Ai Kwang was appointed as an Independent Director of the Company with effect from 18 September 2015.
[4] Mr Eng Meng Leong had resigned from the Board as an Independent Director of the Company with effect from 18 September 2015.
[5] Benefits comprises CPF and annual leave encashment.

The Executive Chairman and CEO is entitled to the use of a Company-maintained car 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>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 band and breakdown for the remuneration of the Company's top 5 key management personnel (who are not Directors or the CEO) in FY2015 were as follows:

<i>Table 9.3 – Remuneration of Key Management Personnel</i>
<table>
<tr><th></th><th>Salary
%</th><th>Variable Bonus
%</th><th>Benefits [2]
%</th><th>Total
%</th></tr>
<tr><td>Between S$250,000 to S$500,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Deng Rong</td><td>62</td><td>30</td><td>8</td><td>100</td></tr>
<tr><td>Below S$250,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>William Kong Ong Sing [1]</td><td>85</td><td>–</td><td>15</td><td>100</td></tr>
<tr><td>Tan Ngee Tiong</td><td>91</td><td>–</td><td>9</td><td>100</td></tr>
<tr><td>Lei Lei</td><td>91</td><td>–</td><td>9</td><td>100</td></tr>
<tr><td>Du Yijun</td><td>90</td><td>–</td><td>10</td><td>100</td></tr>
</table>
Notes:
[1] Mr William Kong Ong Sing was appointed an Key Management personnel on 7 September 2015.
[2] Benefits comprises CPF and annual leave encashment.
</td></tr>
<tr><td></td><td>(b) Please disclose the aggregate remuneration paid to the top five key management personnel (who are not Directors or the CEO).</td><td>The total remuneration paid to the top 5 key management personnel in FY2015 was S$760,033.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></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>
<p>The employees who are family members of a Director or the CEO and who received remuneration in excess of S$50,000 in FY2015 were as follows:</p>
<p><i>Table 9.4 – Remuneration of Employees who are family members of the Executive Chairman and CEO</i></p>
<table>
<tr><th>Name of Employee</th><th>Salary
%</th><th>Variable Bonus
%</th><th>Benefits [1]
%</th><th>Total
%</th></tr>
<tr><td>Between S$50,000 to S$100,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Chu Sew Ting</td><td>81</td><td>9</td><td>10</td><td>100</td></tr>
<tr><td>Chu Siow Leong</td><td>92</td><td>5</td><td>3</td><td>100</td></tr>
<tr><td>Between S$100,000 and S$150,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Chu Kee Yong</td><td>67</td><td>17</td><td>16</td><td>100</td></tr>
<tr><td>Between S$150,000 to S$200,000</td><td></td><td></td><td></td><td></td></tr>
<tr><td>Chu Fai Fong</td><td>75</td><td>12</td><td>13</td><td>100</td></tr>
</table>
<p>Notes:
[1] Benefits comprises CPF and annual leave encashment.</p>
<p>Mr Chu Sew Ting and Mr Chu Siow Leong are the Supervisor and Production Manager of Libra Engineering Pte Ltd respectively. Both are the brothers of the Executive Chairman and CEO, Mr Chu Sau Ben. Ms. Chu Kee Yong, who is the Assistant General Manager of the Company, and Ms. Chu Fai Fong, who is the Group Credit Controller and a director of Libra Engineering Sdn Bhd (which is currently a dormant subsidiary of the Company), are sisters of the Executive Chairman and CEO, Mr Chu Sau Ben.</p>
<p>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 FY2015.</p>
</td></tr>
<tr><td>9.5</td><td>Please provide details of the employee share scheme(s).</td><td>
<p>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 or her 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.</p>
<p>There were no share awards granted to any person pursuant to the Performance Share Plan during FY2015.</p>
</td></tr>
<tr><td>9.6</td><td>(a) Please describe how the remuneration received by Executive Directors and key management personnel has been determined by the performance criteria.</td><td>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.</td></tr>
</table>

<table>
<tr><th>Guideline</th><th>Code and/or Guide Description</th><th>Company's Compliance or Explanation</th></tr>
<tr><td rowspan="3"></td><td></td><td>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 FY2015.

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 RC has assessed and is satisfied that the Executive Directors had met their respective key performance indicators in respect of FY2015.</td></tr>
<tr><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
2. People development
3. Commitment
4. Teamwork
5. Current market and industry practices</td></tr>
<tr><td>**Quantitative**</td><td>1. Profit before tax
2. Return on Equity/Return on investment
3. Relative financial performance of the Group to its industry peers
4. Order book and sales growth</td></tr>
</table></td></tr>
<tr><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.</td></tr>
<tr><td colspan="3">**ACCOUNTABILITY AND AUDIT**
Accountability</td></tr>
<tr><td>10.1
10.2</td><td>Has the Board presented a balanced and understandable assessment of the Company's performance, position and prospects?</td><td>The Board reviews and approves the results as well as any announcements before its release, with a view to ensuring that the Company's announcements are understandable by shareholders.</td></tr>
<tr><td colspan="3">**Risk Management and Internal Controls**</td></tr>
<tr><td>11.1
11.2
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 FY2015.

The bases for the Board's view are as follows:

1. assurance has been received from the CEO, CFO and Group Financial Controller (refer to Section 11.3(b) below);</td></tr>
</table>

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
		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. 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. The Company is gradually placing emphasis on sustainability and would implement appropriate policies and programmes when the opportunities arise.
	(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, CFO and Group Financial Controller in respect of FY2015. The Board has relied on the EA's 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 FY2015 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 AC is guided by the following key terms of reference: (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;

<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>(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;
(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>12.2</td><td>Whether the AC is appropriately qualified to discharge their duties?</td><td>The Board is of the view that the members of the AC have expertise or experience in accounting and related financial management and are qualified to discharge the AC’s responsibilities.</td></tr>
<tr><td>12.3</td><td>Does the AC has explicit authority to investigate any matter within its terms of reference?</td><td>The AC has the explicit authority to investigate any matter within its terms of reference, gain full access to and co-operation by Management, exercise full discretion to invite any Director or executive officer to attend its meetings, and gain reasonable access to resources to enable it to discharge its functions properly.</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 FY2015.</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><i>Table 12.6(a) – Fees Paid/Payable to the EA in FY2015</i>
<table>
<tr><th></th><th>S$’000</th><th>% of total</th></tr>
<tr><td>Audit fees</td><td>200</td><td>81.6</td></tr>
<tr><td>Non-audit fees</td><td></td><td></td></tr>
<tr><td>– Tax returns compliance services</td><td>25</td><td>10.2</td></tr>
<tr><td>– Financial due diligence services</td><td>20</td><td>8.2</td></tr>
<tr><td>Total</td><td>245</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 FY2015 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 as well as 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>

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 AC, 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 FY2015.
<u>**Internal Audit**</u>		
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 <u>**Communication with Shareholders**</u>		
14.1 15.1 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 FY2015, 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 whose contact details are as follows: Mr Wayne Koo Kim Heng and/or Ms Jean Yang Sook Chin Tel: +65 6100 2228 Email: wayne.koo@waterbrooks.com.sg and/or jean@waterbrooks.com.sg
	(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.

Guideline	Code and/or Guide Description	Company's Compliance or Explanation
15.5	Does the Company have a dividend policy?	The Company does not have a fixed dividend policy. Nonetheless, the Board will review, *inter alia*, the Group's performance in the relevant financial periods, projected capital needs and working capital requirements and make appropriate recommendations to the Board on dividend declaration.
	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 FY2015 which will be subject to shareholders' approval at the forthcoming AGM. The Company had declared an interim dividend of S$0.005 per ordinary share for the half year ended 30 June 2015 which was paid in September 2015.
CONDUCT OF SHAREHOLDER MEETINGS		
14.2 14.3 16.1 16.2 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, unless they are relevant intermediaries, not more than two (2) proxies to attend and vote on their behalf. There is no provision in the Company's Constitution that limits the number of proxies for nominee companies. While the Company currently does not have the appropriate provisions in its Constitution to allow for absentia voting by mail, facsimile or electronic mail to ensure proper authentication of the identity of shareholders and their voting intent, the Company is exploring such options and has proposed updates to its Constitution to facilitate voting in absentia. The Company has practised 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 FY2015 or if not then subsisting, entered into since the end of the previous financial year.

<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, CFO and Group Financial Controller; 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 aggregate value of IPTs during FY2015 was as follows.

<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$717,670 (2)</td><td>–</td></tr>
<tr><td>Xu Ruibing (3)</td><td>S$250,000 (4)</td><td>–</td></tr>
</table>

Notes:
(1) Mr Chu Sau Ben is the Executive Chairman and CEO of the Company.
(2) Term loan facility of S$1 million provided by Ethoz Capital Ltd to Kin Xin Engineering Pte Ltd is secured jointly by corporate guarantee issued by the Company and a personal guarantee by Mr Chu Sau Ben. No consideration was/will be paid to Mr Chu Sau Ben for the provision of the aforesaid personal guarantee.
(3) Mr Xu Ruibing is the Executive Director of the Company (appointed on 20 August 2015).
(4) Staff loan given to Mr Xu Ruibing before he was appointed as a director of the Company. This loan has since been discharged.</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>In FY2015, the Company paid to its sponsor, PrimePartners Corporate Finance Pte Ltd non-sponsor fees of S$28,000.</td></tr>
</table>

DIRECTORS' STATEMENT

The directors are pleased to present their statement 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 2015.

Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group, and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date, and

(b) 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.

Directors

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

Chu Sau Ben
Yuen Sou Wai
Kong Chee Keong
Xu Ruibing
Soon Ai Kwang

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 or date of appointment**	**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	41,928,000	13,111,636	17,320,000	46,136,364
Xu Ruibing	180,000	574,800	–	–

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 January 2016.

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 date of appointment if later, or at the end of the financial year.

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, Soon Ai Kwang 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;

- 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; and

- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

Audit committee (cont'd)

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, 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

Xu Ruibing
Director

Singapore
5 April 2016

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 84 to 133, which comprise the balance sheets of the Group and the Company as at 31 December 2015, 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 financial statements 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.

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 financial position of the Group and of the Company as at 31 December 2015 and of the financial performance, 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
5 April 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(Amounts in Singapore dollars)

	Note	2015 $	2014 $ (Restated)
Revenue	4	90,208,190	63,667,118
Cost of sales		(72,876,785)	(49,237,513)
Gross profit		17,331,405	14,429,605
Other income	5	1,205,875	262,068
Other items of expenses			
Administrative expenses		(10,632,169)	(8,938,432)
Finance costs	6	(1,301,867)	(481,684)
Profit before tax	7	6,603,244	5,271,557
Income tax expense	8	(324,689)	(28,607)
Profit for the year		6,278,555	5,242,950
Attributable to:			
Owners of the Company		6,278,555	5,317,950
Non-controlling interests		–	(75,000)
		6,278,555	5,242,950
Earnings per share (cents per share)			
Basic and diluted	9	5.32	5.16
Other comprehensive income, net of tax			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(40,677)	(25,802)
Total comprehensive income for the year		6,237,878	5,217,148
Attributable to:			
Owners of the Company		6,237,878	5,292,117
Non-controlling interests		–	(74,969)
Total comprehensive income for the year		6,237,878	5,217,148

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

BALANCE SHEETS

AS AT 31 DECEMBER 2015

(Amounts in Singapore dollars)

	Note	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Assets					
Non-current assets					
Property, plant and equipment	10	29,622,856	19,863,680	9,566,213	16,483,338
Investment property	11	–	–	8,833,914	–
Investment in subsidiaries	12	–	–	16,633,646	12,633,746
Goodwill	12	882,781	–	–	–
Deferred tax assets	13	359,274	–	–	–
		30,864,911	19,863,680	35,033,773	29,117,084
Current assets					
Gross amount due from customers for contract work-in-progress	14	24,267,911	15,248,300	–	–
Asset held for sale	15	1,000,000	–	–	–
Inventories	16	3,417,704	1,705,936	–	–
Prepaid operating expenses		329,197	227,300	87,738	42,559
Trade and other receivables	17	18,976,715	9,465,888	7,280,131	1,741,685
Cash and bank balances	18	6,698,918	10,388,371	788,419	2,163,142
		54,690,445	37,035,795	8,156,288	3,947,386
Total assets		85,555,356	56,899,475	43,190,061	33,064,470
Equity and liabilities					
Current liabilities					
Gross amount due to customers for contract work-in-progress	14	112,104	166,873	–	–
Loans and borrowings	19	21,723,288	10,912,728	1,297,128	714,334
Trade and other payables	20	17,943,068	10,079,778	9,934,977	1,161,233
Other liabilities	21	5,435,452	5,546,431	250,445	236,707
Income tax payable		746,206	70,612	–	–
		45,960,118	26,776,422	11,482,550	2,112,274
Net current assets/(liabilities)		8,730,327	10,259,373	(3,326,262)	1,835,112
Non-current liabilities					
Loans and borrowings	19	16,241,185	12,319,392	11,751,457	12,085,666
		16,241,185	12,319,392	11,751,457	12,085,666
Total liabilities		62,201,303	39,095,814	23,234,007	14,197,940
Net assets		23,354,053	17,803,661	19,956,054	18,866,530
Equity attributable to owners of the Company					
Share capital	22(a)	18,393,204	17,393,304	18,393,204	17,393,304
Treasury shares	22(b)	(256,159)	–	(256,159)	–
Foreign currency translation reserve	23	(76,349)	(35,672)	–	–
Merger reserve	22(c)	(7,441,589)	(7,441,589)	–	–
Premium on acquisition of non-controlling interests	24	(355,109)	(355,109)	–	–
Retained earnings		13,090,055	8,242,727	1,819,009	1,473,226
Total equity		23,354,053	17,803,661	19,956,054	18,866,530
Total equity and liabilities		85,555,356	56,899,475	43,190,061	33,064,470

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 2015

(Amounts in Singapore dollars)

	Attributable to owners of the Company						
	Share capital $	Treasury share $	Foreign currency translation reserve $	Merger reserve $	Premium on acquisition of non-controlling interest $	Retained earnings $	Total equity $
Group							
2015							
Opening balance at 1 January 2015	17,393,304	–	(35,672)	(7,441,589)	(355,109)	8,242,727	17,803,661
Profit for the year	–	–	–	–	–	6,278,555	6,278,555
Other comprehensive income							
Foreign currency translation	–	–	(40,677)	–	–	–	(40,677)
Total comprehensive income for the year	–	–	(40,677)	–	–	6,278,555	6,237,878
Contributions by and distributions to owners							
Issuance of new ordinary shares pursuant to acquisition of a subsidiary	999,900	–	–	–	–	–	999,900
Purchase of treasury shares	–	(256,159)	–	–	–	–	(256,159)
Dividend on ordinary shares (Note 31)	–	–	–	–	–	(1,431,227)	(1,431,227)
Total transactions with owners in their capacity as owners	999,900	(256,159)	–	–	–	(1,431,227)	(687,486)
Closing balance at 31 December 2015	18,393,204	(256,159)	(76,349)	(7,441,589)	(355,109)	13,090,055	23,354,053

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

(Amounts in Singapore dollars)

	Attributable to owners of the Company							
	Share capital $	Foreign currency translation reserve $	Merger reserve $	Premium on acquisition of non-controlling interest $	Retained earnings $	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
<u>Other comprehensive income</u>								
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
<u>Contributions by and distributions to owners</u>								
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 (Note 31)	–	–	–	–	(797,792)	(797,792)	–	(797,792)
<u>Changes in ownership interests in subsidiary</u>								
Acquisition of non-controlling interest without a change in control	–	–	–	(355,109)	–	(355,109)	64,952	(290,157)
Total transactions with owners in their capacity as owners	2,817,000	–	–	(355,109)	(797,792)	1,664,099	64,952	1,729,051
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

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 2015

(Amounts in Singapore dollars)

	Share capital (Note 22(a)) $	Treasury shares (Note 22(b)) $	Retained earnings $	Total equity $
Company				
2015				
Opening balance at 1 January 2015	17,393,304	–	1,473,226	18,866,530
Profit for the year, representing total comprehensive income for the year	–	–	1,777,010	1,777,010
Contributions by and distributions to owners				
Issuance of new ordinary shares pursuant to acquisition of a subsidiary	999,900	–	–	999,900
Purchase of treasury shares	–	(256,159)	–	(256,159)
Dividend on ordinary shares (Note 31)	–	–	(1,431,227)	(1,431,227)
Total transactions with owners in their capacity as owners	999,900	(256,159)	(1,431,227)	(687,486)
Closing balance at 31 December 2015	18,393,204	(256,159)	1,819,009	19,956,054
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
Contributions by and distributions to owners				
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 (Note 31)	–	–	(797,792)	(797,792)
Total transactions with owners in their capacity as owners	2,817,000	–	2,142,133	4,959,133
Closing balance at 31 December 2014	17,393,304	–	1,473,226	18,866,530

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

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

(Amounts in Singapore dollars)

	2015 $	2014 $
Operating activities		
Profit before tax	6,603,244	5,271,557
Adjustments for:		
Depreciation of property, plant and equipment	1,149,638	439,654
(Write-back)/allowance for doubtful trade receivables, net	(40,393)	104,127
Bad debt written off	32,064	550,000
Impairment of gross amount due from customers for contract work-in-progress	4,228	685,898
(Gain)/loss on disposal of property, plant and equipment, net	(14,324)	60,115
Inventories written off	17,646	–
Impairment of goodwill	–	42,058
Finance costs	1,301,867	481,684
Fair value loss on asset held for sale	20,129	–
Translation difference	(40,677)	(25,802)
Total adjustments	2,430,178	2,337,734
Operating cash flows before changes in working capital	9,033,422	7,609,291
Changes in working capital:		
Increase in gross amount due from customers for contract work-in-progress	(9,023,841)	(5,892,430)
(Decrease)/increase in gross amount due to customers for contract work-in-progress	(54,769)	20,404
Increase in inventories	(1,729,414)	(388,016)
Increase in prepaid operating expenses	(101,897)	(8,036)
Increase in trade and other receivables	(5,394,151)	(4,124,770)
Increase in trade and other payables	4,846,859	3,966,823
(Decrease)/increase in other liabilities	(110,979)	3,630,090
Total changes in working capital	(11,568,192)	(2,795,935)
Cash flows (used in)/generated from operations	(2,534,770)	4,813,356
Interest paid	(1,301,867)	(481,684)
Income tax (paid)/refunded	(8,369)	1,042
Net cash flows (used in)/generated from operating activities	(3,845,006)	4,332,714
Investing activities		
Purchase of property, plant and equipment (Note 10)	(10,770,144)	(17,780,346)
Net cash outflow on acquisition of subsidiary (Note 12)	(299,790)	(290,157)
Proceeds from disposal of property, plant and equipment	89,114	15,951
Net cash flows used in investing activities	(10,980,820)	(18,054,552)
Financing activities		
Purchase of treasury shares	(256,159)	–
Proceeds from loans and borrowings	57,658,814	43,346,368
Repayments of loans and borrowings	(45,326,048)	(24,701,487)
Dividend paid on ordinary shares	(1,431,227)	(797,792)
Proceeds from issuance of new ordinary shares pursuant to placement shares	–	3,000,000
Share issuance expenses	–	(183,000)
Net cash flows generated from financing activities	10,645,380	20,664,089
Net (decrease)/increase in cash and cash equivalents	(4,180,446)	6,942,251
Cash and cash equivalents at 1 January	10,388,371	3,446,120
Cash and cash equivalents at 31 December (Note 18)	6,207,925	10,388,371

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

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 21 Ubi Road 1, #02-02, Singapore 408724.

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are disclosed in Note 12 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 2015. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

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 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 16 and FRS 41 *Agriculture – Bearer Plants*	1 January 2016
Amendments to FRS 111 *Accounting for Acquisitions of Interest in Joint Operations*	1 January 2016
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations*	1 January 2016
(b) Amendments to FRS 107 *Financial Instruments: Disclosures*	1 January 2016
(c) Amendments to FRS 19 *Employee Benefits*	1 January 2016
(d) FRS 34 *Interim Financial Reporting*	1 January 2016
Amendments to FRS 1 *Disclosure Initiative*	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 *Investment Entities: Applying the Consolidated Exception*	1 January 2016
Amendments to FRS 7 *Disclosure Initiative*	1 January 2017
Amendments to FRS 12 *Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
FRS 109 *Financial Instruments*	1 January 2018
Amendments to FRS 110 and FRS 28 *Sale of Contribution of Assets between an Investor and its Associate or Joint Venture*	To be determined

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

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

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:

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a 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 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 when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Group include identifying performance obligations, accounting for contract modifications, applying the constraint to variant consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

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.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the Group to make changes to its current systems and processes.

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. The Group is currently assessing the impact of FRS 109.

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.

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:

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

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

(a) *Basis of consolidation (cont'd)*

- 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. 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.

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. Summary of significant accounting policies (cont'd)

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 the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate 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.

(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.

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.

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

2.7 Property, plant and equipment (cont'd)

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

	Years
Building	6
Computers	3
Furniture and fittings	5
Motor vehicles	10
Office equipment	5
Renovation	5
Factory equipment	10
Plant and machinery	10

Assets under construction included in property, plant and equipment are not depreciated as these assets are not yet available for use.

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 Investment properties

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are stated at cost less accumulated depreciation and impairment loss. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are included in the profit or loss.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

2.9 Assets classified as held for sale

Assets classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition.

Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of acquisition.

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

2.10 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 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.

2.11 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.

2.12 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:

Loans and receivables

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.

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

2.12 Financial instruments (cont'd)

(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.

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.

2.13 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.

Financial assets carried at amortised cost

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.

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. Summary of significant accounting policies (cont'd)

2.14 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits which are subjected to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Group's cash management.

2.15 Construction contracts

The Group principally operates fixed price contracts. Contract revenue and contract costs are recognised as revenue and expenses respectively in accordance to surveyor's certification or 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 construction contract can be estimated reliably.

When the outcome of a construction 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.

2.16 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 and works-in-progress: 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.

2.17 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 the end of each 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. Summary of significant accounting policies (cont'd)

2.18 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.

2.19 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.

(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.

2.20 Leases

(a) *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. Summary of significant accounting policies (cont'd)

2.21 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 2.15 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.

2.22 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, 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:

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

2.22 Taxes (cont'd)

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

- 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, 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.

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.

2.23 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.

2.24 Segment reporting

For management purposes, the Group is organised into operating segments based on their products and services which are independently managed by the respective segment managers responsible for the performance of the respective segments under their charge. The segment managers report directly to the management of the Company who regularly review the segment results in order to allocate resources to the segments and to assess the segment performance. Additional disclosures on each of these segments are shown in Note 30, including the factors used to identify the reportable segments and the measurement basis of segment information.

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

2.25 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.

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.

2.26 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).

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

Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets at each reporting date. Goodwill is tested for impairment annually and at other times when such indicators exist. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The determination of indicators of impairment requires judgement.

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 14 to the financial statements.

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 $396,793 (2014: $41,358) . 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 $1,584,357 (2014: $1,094,386).

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

3.2 Key sources of estimation uncertainty (cont'd)

(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 0.7% (2014: 0.4%) 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 17 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 $299,405 (2014: $754,488).

(d) *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. Revenue

	Group	
	2015	**2014**
	$	$
Construction revenue	73,622,657	47,461,242
Sale of goods	16,585,533	16,205,876
	90,208,190	63,667,118

5. Other income

	Group	
	2015 $	**2014** $
Recovery of bad debts	174,627	–
Write-back of allowance for doubtful debts	77,728	15,546
Sale of scrap materials	180,493	163,068
Gain on disposal of property, plant and equipment	38,626	–
Compensation of legal claims	350,000	–
Rental income	270,678	–
Interest income	76,397	–
Government grant income	33,262	62,978
Others	4,064	20,476
	1,205,875	262,068

6. Finance costs

	Group	
	2015 $	**2014** $
Interest expense on:		
– Trust receipts	333,046	246,456
– Obligations under finance leases	16,303	17,644
– Term loans	461,518	109,610
– Factoring charges	129,845	66,000
– Mortgage loans	355,034	27,607
Bank charges	6,121	14,367
	1,301,867	481,684

7. Profit before tax

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

	Group	
	2015 $	**2014** $
Audit fees:		
– Auditors of the Group	200,000	135,000
Non-audit fees:		
– Auditors of the Group	45,000	17,500
Depreciation of property, plant and equipment (Note 10)	1,149,638	439,654
Impairment of goodwill	–	42,058
Impairment of gross amount due from customers for contract work-in-progress	4,228	685,898
(Write-back of)/allowance for doubtful trade receivables, net	(40,393)	104,127
Bad debt written off	32,064	550,000
Inventories written off	17,646	–
Fair value loss on asset held for sale (Note 15)	20,129	–
Loss on disposal of property, plant and equipment	–	60,115
Property, plant and equipment written off	24,302	–
Operating lease expense (Note 26(b))	2,545,604	2,125,079
Legal expenses	206,702	216,787
Employee benefits expenses (including directors' remuneration):		
– Salaries, wages and bonuses	14,378,298	9,578,272
– Central provident fund contributions	680,902	442,738
– Foreign worker levy	3,138,183	1,801,951
– Other short-term employee benefits	563,748	330,632

8. Income tax expense

Major components of income tax expense

The major components of income tax expense for the years ended 31 December are:

	Group	
	2015	**2014**
	$	$
Consolidated statement of comprehensive income:		
Current income tax		
– Current year income tax expense	701,084	25,381
– (Over)/under provision of income tax in respect of previous years	(17,121)	7,803
	683,963	33,184
Deferred income tax (Note 13)		
– Origination and reversal of temporary differences, net	259,942	(4,577)
– Under recognition of deferred tax asset in respect of previous years	(619,216)	–
	(359,274)	(4,577)
Income tax expense recognised in profit or loss	324,689	28,607

Relationship between tax expense and accounting profit

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

	Group	
	2015	**2014**
	$	$
Profit before tax	6,603,244	5,271,557
Tax at the domestic rates applicable to profit in the countries where the Group operates	1,122,552	896,165
Adjustments:		
Non-deductible expenses	181,123	125,871
Income not subject to tax	(11,196)	(9,146)
Effect of partial tax exemption and tax deduction	(81,787)	(83,832)
Deferred tax asset not recognised	–	268,719
Benefits from previously unrecognised tax losses	(243,927)	(1,176,817)
(Over)/under provision in respect of previous years	(636,337)	7,803
Others	(5,739)	(156)
Income tax expense recognised in profit or loss	324,689	28,607

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	
	2015	**2014**
	$	**$**
Profit for the year attributable to owners of the Company	6,278,555	5,317,950
	No. of shares	**No. of shares**
Weighted average number of ordinary shares for basic and diluted earnings per share computation	117,973,986	102,970,575

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.

10. Property, plant and equipment

Group	Assets under construction $	Building $	Computers $	Furniture and fittings $	Motor vehicles $	Office equipment $	Renovation $	Factory equipment $	Plant and machinery $	Total $
Cost:										
At 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 and 1 January 2015	16,474,600	–	307,913	33,256	1,477,999	105,086	35,592	248,432	2,983,225	21,666,103
Acquisition of a subsidiary (Note12)	–	918,629	10,349	1,990	52,917	1,237	4,078	–	2,300	991,500
Additions	1,296,350	7,124,068	337,358	68,789	336,892	133,651	427,578	59,600	1,227,947	11,012,233
Disposals	–	–	–	–	(57,905)	–	–	–	(2,680)	(60,585)
Write off	–	–	(5,425)	(4,737)	(16,090)	(7,412)	(20,880)	(3,425)	–	(57,969)
Reclassified to asset held for sale (Note 15)	–	(1,020,129)	–	–	–	–	–	–	–	(1,020,129)
At 31 December 2015	17,770,950	7,022,568	650,195	99,298	1,793,813	232,562	446,368	304,607	4,210,792	32,531,153
Accumulated depreciation:										
At 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 and 1 January 2015	–	–	142,790	15,158	530,621	49,186	16,385	68,022	980,261	1,802,423
Depreciation charge for the year	39,084	536,446	132,171	10,731	148,057	25,494	32,998	25,046	199,611	1,149,638
Disposals	–	–	–	–	(8,013)	–	–	–	(2,084)	(10,097)
Write off	–	–	(5,041)	(2,761)	(8,715)	(6,045)	(10,134)	(971)	–	(33,667)
At 31 December 2015	39,084	536,446	269,920	23,128	661,950	68,635	39,249	92,097	1,177,788	2,908,297
Net carrying amount:										
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
At 31 December 2015	17,731,866	6,486,122	380,275	76,170	1,131,863	163,927	407,119	212,510	3,033,004	29,622,856

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

Company	Assets under construction $	Computers $	Furniture and fittings $	Office equipment $	Renovation $	Total $
Cost:						
At 1 January 2014	–	–	–	–	–	–
Additions	16,474,600	8,988	–	–	–	16,483,588
At 31 December 2014 and 1 January 2015	16,474,600	8,988	–	–	–	16,483,588
Additions	1,700,021	17,500	14,380	2,707	246,525	1,981,133
Transfer to investment property (Note 11)	(8,873,886)	–	–	–	–	(8,873,886)
At 31 December 2015	9,300,735	26,488	14,380	2,707	246,525	9,590,835
Accumulated depreciation:						
At 1 January 2014	–	–	–	–	–	–
Depreciation charge for the year	–	250	–	–	–	250
At 31 December 2014 and 1 January 2015	–	250	–	–	–	250
Depreciation charge for the year	–	2,996	1,198	226	19,952	24,372
At 31 December 2015	–	3,246	1,198	226	19,952	24,622
Net carrying amount:						
At 31 December 2014	16,474,600	8,738	–	–	–	16,483,338
At 31 December 2015	9,300,735	23,242	13,182	2,481	226,573	9,566,213

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

Assets under construction

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 $242,089 (2014: $340,870) by means of finance leases. The cash outflow on acquisition of property, plant and equipment amounted to $10,770,144 (2014: $17,780,346).

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

	Group	
	2015	**2014**
	$	$
Motor vehicles	743,605	797,096
Factory equipment	–	40,333
Plant and machinery	310,514	506,040
	1,054,119	1,343,469

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 $17,731,866 (2014: $16,474,600) are mortgaged to secure the Group's loans and borrowings (Note 19).

11. Investment property

	Company	
	2015	**2014**
	$	$
Cost		
At 1 January	–	–
Transfer from property, plant and equipment (Note 10)	8,873,886	–
At 31 December	8,873,886	–
Accumulated depreciation		
At 1 January	–	–
Depreciation charge for the year	39,972	–
At 31 December	39,972	–
Net carrying amount	8,833,914	–

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

11. Investment property (cont'd)

Transfer from property, plant and equipment

In November 2015, the Company transferred a leasehold industrial building that was held as owner-occupied property to investment property. On that date, the Company has commenced using the leasehold industrial building for subsidiary occupancy purposes.

The investment property held by the Company as at 31 December 2015 is as follows:

Description and location	Existing use	Tenure	Unexpired lease term
4-storey single-user industrial building at 53 Loyang Drive	Office	Leasehold	36 years

Assets pledged as security

The Company's investment property with net carrying amount of $8,833,914 (2014: Nil) is mortgaged to secure the Group's loans and borrowings (Note 19).

12. Investment in subsidiaries

	Company	
	2015	2014
	$	$
Shares, at cost	16,633,646	12,633,746

Name of company	Country of incorporation	Principal activity	Effective equity interest held by the Group 2015	Effective equity interest held by the Group 2014
Kin Xin Engineering Pte Ltd ("Kin Xin Engineering") (1)	Singapore	Contracting and installation of ACMV systems, fire alarms and fire protection systems, electrical systems and sanitary and plumbing systems	100	100
Libra Engineering Pte Ltd ("Libra Engineering") (1)	Singapore	Manufacturing and sale of ACMV ducts and trading of ACMV-related products	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	100	100
Cyber Builders Pte Ltd ("Cyber Builders") (1)	Singapore	General contractors for building construction including major upgrading works	100	–
Libra Engineering Sdn Bhd ("Libra Malaysia") (2)	Malaysia	Manufacturing and sale of ACMV ducts and ACMV related products	100	100

(1) Audited by Ernst & Young LLP, Singapore

(2) Not material to the Group and not required to be disclosed under SGX Listing Rule 717

12. Investment in subsidiaries (cont'd)

Acquisition of Cyber Builders

On 16 March 2015 (the "**acquisition date**"), the Company has entered into a sale and purchase agreement with an independent party, Mr. Kong Ong Sing (the "**vendor**"), to acquire 100% of the share capital of Cyber Builders. Upon the acquisition, Cyber Builders became a subsidiary of the Group.

The Group has acquired Cyber Builders in order to strengthen its position as a leading construction firm in Singapore and to increase the construction contract value which the Group will be able to tender with Cyber Builders's B1-grade classification.

The fair value of the identifiable assets and liabilities of Cyber Builders as at the acquisition date were:

	Fair value recognised on acquisition $
Property, plant and equipment (Note 10)	991,500
Trade and other receivables	3,014,852
	4,006,352
Trade and other payables	(2,847,328)
Loan and borrowings	(2,217,796)
Bank overdraft	(299,790)
	(5,364,914)
Total identifiable net liabilities acquired	(1,358,562)
Provisional goodwill arising from acquisition	882,781
	(475,781)

Consideration transferred for the acquisition of Cyber Builders

Equity instruments issued (4,545,000 new ordinary shares of Libra Group Limited) (Note 22)	999,900
Deferred cash settlement	126,171
Consideration transferred	1,126,071
Less: Purchase consideration adjustment	(1,601,852)
Net consideration	(475,781)

Effect of the acquisition of Cyber Builders on cash flows

Consideration settled in cash	–
Less: Cash and cash equivalents of subsidiary acquired	(299,790)
Net cash outflow on acquisition	(299,790)

12. Investment in subsidiaries (cont'd)

Equity instruments issued as part of consideration transferred

In connection with the acquisition of 100% equity interest in Cyber Builders, Libra Group Limited issued 4,545,000 ordinary shares with a fair value of $0.22 each. The fair value of these shares is the published price of the shares at the acquisition date.

Trade and other receivables acquired

Trade and other receivables acquired comprise of trade receivables, progress billings receivables from the completion of projects and tender deposits refundable for projects. Their amounts are $655,468, $2,099,091 and $260,293 respectively.

Purchase consideration adjustment

At the acquisition date, $1,601,852 of the contractual cash flows pertaining to progress billings receivables are not expected to be collected and it has been adjusted against the purchase consideration for the acquisition of Cyber Builders. In accordance to the supplementary agreement, the amount is claimable from the vendor and to be settled in cash.

Impact of the acquisition on profit or loss

From the acquisition date, Cyber Builders has contributed $11,251,626 of revenue and $484,048 to the Group's profit for the year. If the business combination had taken place at the beginning of the year, the revenue would have been $91,589,162 and the Group's profit, net of tax would have been $6,309,969.

Provisional accounting of the acquisition of Cyber Builders

The Group has engaged an independent professional valuer to perform a Purchase Price Allocation ("**PPA**"). As at 31 December 2015, the goodwill arising from the acquisition of Cyber Builders has been determined on a provisional basis as the identification of the intangible assets by the independent valuer has not been received by the date the financial statements was authorised for issue.

13. Deferred tax

Deferred tax as at 31 December relates to the following:

	Group			
	Consolidated balance sheet		**Consolidated income statement**	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
Deferred tax assets:				
Differences in depreciation for tax purposes	–	–	–	(4,577)
Unutilised capital allowances	359,274	–	(359,274)	–
	359,274	–	(359,274)	(4,577)

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately $1,174,529 (2014: $2,609,394) that are available for offset against future taxable profits 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 these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate.

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

	Group	
	2015 $	2014 $
Aggregate amount of costs incurred and attributable profits (less recognised loss) to date	141,456,343	89,694,639
Less: Progress billings	(117,300,536)	(74,613,212)
	24,155,807	15,081,427
Presented as:		
Gross amount due from customers for contract work-in-progress	24,267,911	15,248,300
Gross amount due to customers for contract work-in-progress	(112,104)	(166,873)
	24,155,807	15,081,427
Retention sums on construction contracts included in gross amount due from customers for contract work-in-progress	4,584,643	2,579,699
Retention sums on construction contracts included in trade receivables	13,875	194,750

15. Asset held for sale

	Group	
	2015 $	2014 $
Balance sheet:		
At 1 January	–	–
Transfer from property, plant and equipment (Note 10)	1,020,129	–
Fair value loss adjustment recognised in profit or loss	(20,129)	–
At 31 December	1,000,000	–

The property classified as asset held for sale comprises a ramp-up factory unit located at Ang Mo Kio Street 62. The property will be disposed within 12 months from the completion date of the acquisition of Cyber Builders.

<u>Valuation of asset held for sale</u>

Asset held for sale is stated at fair value, which has been determined based on valuation performed as at 31 December 2015. The valuation was performed by Knight Frank Pte Ltd, an independent valuer with a recognised and relevant professional qualification. Details of valuation techniques and inputs used are disclosed in Note 27.

16. Inventories

	Group	
	2015	2014
	$	$
Balance sheet:		
Raw materials (at cost)	2,568,076	992,033
Work-in-progress (at cost)	231,354	29,306
Finished goods (at cost)	618,274	684,597
	3,417,704	1,705,936
Income statement		
Inventories recognised as an expense in cost of sales	33,535,261	24,860,343

17. Trade and other receivables

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Trade receivables	12,898,699	7,387,617	–	–
GST receivable	114,965	1,065,745	114,965	1,045,606
Retention receivables	–	194,750	–	–
Refundable deposits	1,231,692	647,609	141,363	14,050
Refundable advance	1,108,770	–	1,108,770	–
Staff loans	715,000	170,000	–	–
Loans to external parties	1,131,618	–	–	–
Other receivables	1,775,971	167	80	–
Amounts due from subsidiaries	–	–	5,914,953	682,029
	18,976,715	9,465,888	7,280,131	1,741,685
Add:				
Cash and bank balances (Note 18)	6,698,918	10,388,371	788,419	2,163,142
Less:				
GST receivables	(114,965)	(1,065,745)	(114,965)	(1,045,606)
Total loans and receivables	25,560,668	18,788,514	7,953,585	2,859,221

Refundable advance

On 20 November 2015, the Company entered into an option agreement with Neptune Aviation Ltd ("**Neptune Aviation**") to acquire an option for a consideration of US$1 to purchase 20% shareholdings in Neptune Aviation for a consideration of S$1,108,770 (US$780,000)("**Option Exercise Price**"). The option may be exercised by the Company at any time from the date of the option agreement to the date falling one year from the date of the option agreement or six months from the date of the extraordinary general meeting of the shareholders of the company in relation to the exercise of the option, whichever is the later. The Company has transferred the Option Exercise Price to Neptune Aviation as an advance on a fully refundable basis. The advance was utilised by Neptune Aviation for the financing of its plane acquisition. Upon termination of the option agreement, Neptune Aviation shall refund the advance in full and in cash to the Company. The advance is unsecured and non-interest bearing.

Staff loans

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

17. Trade and other receivables (cont'd)

Loan to external parties

The Group extended unsecured loans of $200,000 and $891,375 to two external parties at an interest rate of 15% and 8% respectively and these amounts are repayable in cash within 12 months.

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.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $2,994,052 (2014: $3,889,145) 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	
	2015	**2014**
	$	$
Trade receivables past due but not impaired:		
Lesser than 30 days	2,184,316	2,233,432
31 to 90 days	582,521	854,422
More than 90 days	227,215	801,291
	2,994,052	3,889,145

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	
	2015	**2014**
	$	$
Trade receivables – nominal amounts	175,951	301,192
Less: Allowance for impairment	(175,951)	(301,192)
	–	–
Movement in allowance accounts:		
At 1 January	301,192	993,704
Charge for the year	37,335	119,673
Written back during the year	(77,728)	(15,546)
Effect of GST relief on bad debts written-off	5,823	49,390
Written-off	(90,671)	(846,029)
At 31 December	175,951	301,192

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.

17. Trade and other receivables (cont'd)

Other receivables

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

Amounts due from subsidiaries

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

18. Cash and bank balances

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
Cash at banks and on hand	5,896,918	9,888,371	286,419	1,663,142
Fixed deposits	802,000	500,000	502,000	500,000
	6,698,918	10,388,371	788,419	2,163,142

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and Company. The weighted average effective interest rates as at 31 December 2015 for the Group and the Company were 0.25% (2014: 0.4%) and 0.4% (2014: 0.4%) respectively.

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

	Group	
	2015	**2014**
	$	$
United States Dollar	341	3,986
Malaysian Ringgit	11,257	21,816

For the purpose of the cash flow statement, cash and cash equivalents comprised the following amounts at the end of reporting period:

	Group	
	2015	**2014**
	$	$
Cash at banks and on hand	6,698,918	10,388,371
Bank overdraft (Note 19)	(490,993)	–
Cash and cash equivalents	6,207,925	10,388,371

19. Loans and borrowings

	Maturity	Group 2015 $	Group 2014 $	Company 2015 $	Company 2014 $
Current:					
Trust receipts	90-120 days	12,613,287	5,375,573	–	–
Factoring loans	30-90 days	692,374	2,888,092	–	–
Obligations under finance lease (Note 26(c))	2016	272,390	358,870	–	–
Term loans	2016	6,948,248	1,575,859	591,132	–
Mortgage loan	2016	705,996	714,334	705,996	714,334
Bank overdraft		490,993	–	–	–
		21,723,288	10,912,728	1,297,128	714,334
Non-current:					
Obligations under finance lease (Note 26(c))	2018	380,907	233,726	–	–
Term loan	2017-2028	4,474,309	–	365,488	–
Mortgage loan	2029	11,385,969	12,085,666	11,385,969	12,085,666
		16,241,185	12,319,392	11,751,457	12,085,666
Total loans and borrowings		37,964,473	23,232,120	13,048,585	12,800,000

Trust receipts

Trust receipts are denominated in SGD and bear interest of 3.66 % to 7.25% per annum (2014: 2.78 % to 7.25% per annum). Trust receipts are secured by corporate guarantees issued by the Company.

Factoring loans

Factoring loans are denominated in SGD, bear interest of 3.50% to 5.33% per annum (2014: 3.50% to 4.38% per annum) and secured by corporate guarantee issued by the Company and certain entities in the Group.

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 1.58% to 5.50% per annum (2014: 3.07% to 7.49% per annum).

19. Loans and borrowings (cont'd)

Term loans

Term loans are repayable by monthly instalments over one to twelve years and bear interest of 1.35% to 7.30% per annum (2014: 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.

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 1.88% per annum over the prevailing 3-month bank's COF.

The loan is secured by:

(i) a corporate guarantees issued by certain entities in the Group;

(ii) a first legal mortgage over the leasehold land and building at 53 Loyang Drive, Singapore 508957 (the "**Property**"); and

(iii) a 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.

20. Trade and other payables

	Group		Company	
	2015	**2014**	**2015**	**2014**
	$	$	$	$
Trade payables	14,762,921	8,502,365	–	–
Interest payable	47,120	50,074	–	–
GST payables	398,721	232,045	–	–
Retention payables	1,590,714	969,600	–	–
Other payables	1,143,592	325,694	184,158	95,358
Amounts due to subsidiaries	–	–	9,750,819	1,065,875
	17,943,068	10,079,778	9,934,977	1,161,233
Add:				
Loans and borrowings (Note 19)	37,964,473	23,232,120	13,048,585	12,800,000
Other liabilities (Note 21)	5,435,452	5,546,431	250,445	236,707
Less:				
GST payables	(398,721)	(232,045)	–	–
Total financial liabilities carried at amortised costs	60,944,272	38,626,284	23,234,007	14,197,940

Trade and 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	
	2015	**2014**
	$	$
United States Dollar	1,446,603	657,674
Malaysian Ringgit	50,698	54,309

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.

21. Other liabilities

	Group		Company	
	2015	2014	2015	2014
	$	$	$	$
Accrued salaries and bonuses	1,297,986	1,699,480	55,000	129,615
Accrued operating expenses	4,137,466	3,846,951	195,445	107,092
	5,435,452	5,546,431	250,445	236,707

22. Share capital and treasury shares

(a) Share capital

	Group and Company			
	2015		2014	
	No. of shares	$	No. of shares	$
Issued and fully paid ordinary shares:				
At 1 January	114,724,000	17,393,304	99,724,000	14,576,304
Issuance of new ordinary shares pursuant to acquisition of a subsidiary (Note 12)	4,545,000	999,900	–	–
Issuance of new ordinary shares pursuant to placement shares	–	–	15,000,000	3,000,000
Share issue expenses	–	–	–	(183,000)
At 31 December	119,269,000	18,393,204	114,724,000	17,393,304

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.

(b) Treasury shares

	Group and Company			
	2015		2014	
	No. of shares	$	No. of shares	$
At 1 January	–	–	–	–
Acquired during the financial year	(1,769,900)	(256,159)	–	–
At 31 December	(1,769,900)	(256,159)	–	–

Treasury shares relate to ordinary shares of the Company that is held by the Company.

The Company acquired 1,769,900 (2014: Nil) shares in the Company through purchases on the Singapore Exchange during the financial year. The total amount paid to acquire the shares was $256,159 (2014: Nil) and this was presented as a component within shareholders' equity.

(c) Merger reserve

In prior years, the Company had acquired Kin Xin Engineering Pte Ltd and Libra Engineering Pte Ltd. On applying the pooling of interest method in accounting for this business combination, the difference between the consideration and the share capital of the subsidiaries acquired is recorded as merger reserve.

23. 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.

24. 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.

25. 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	
	2015	**2014**
	$	$
Salaries and bonuses	2,502,275	1,877,973
Central provident fund contributions	139,123	115,690
	2,641,398	1,993,663
Comprises amounts paid to:		
Directors of the Company	1,555,408	1,070,748
Other key management personnel	1,085,990	922,915
	2,641,398	1,993,663

(b) ***Personal guarantees by directors***

The Company and one of its directors have provided a joint guarantee to a financial institution to secure loans and borrowings amounting to $1,000,000 taken by a subsidiary. As at 31 December 2015, $717,670 was drawn down.

As at 31 December 2015, certain directors of the Company have provided personal guarantees amounting to approximately Nil (2014: $209,000) to secure performance bonds of the Group.

26. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2015	**2014**
	$	$
Capital commitments in respect of property, plant and equipment	921,121	–

(b) **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 2015 amounted to $2,545,604 (2014: $2,125,079).

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

	Group	
	2015	**2014**
	$	$
Not later than one year	869,135	1,239,780
Later than one year but not later than five years	815,872	1,167
	1,685,007	1,240,947

(c) ***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			
	2015		**2014**	
	Minimum lease payments	**Present value of payments**	**Minimum lease payments**	**Present value of payments**
	$	$	$	$
Not later than one year	283,400	272,390	379,003	358,870
Later than one year but not later than five years	411,564	380,907	246,578	233,726
Total minimum lease payments	694,964	653,297	625,581	592,596
Less: Amounts representing finance charges	(41,667)	–	(32,985)	–
Present value of minimum lease payments	653,297	653,297	592,596	592,596

27. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categories fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical asset or liabilities that the Co-operative can access at the measurement date.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Level 3 Fair value measurements***

(i) Information about significant unobservable inputs used in Level 3 fair value measurements

The following table shows the information about fair value measurement of asset held for sale using significant unobservable inputs (Level 3).

Description	**Fair value as at 31 December 2015** $	**Valuation techniques**	**Unobservable Inputs** *	**Range**
Non-financial asset:				
Asset held for sale (Note 15)	1,000,000	Market comparable approach	Yield adjustments based on management's assumptions *	10% to 20%

* The yield adjustments are made for any difference in the nature, location or condition of the specific property.

For asset held for sale, a significant increase/(decrease) in yield adjustments based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

The following table shows the impact on the Level 3 fair value measurement of assets that are sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Effect of reasonably possible alternative assumptions	
	Carrying amount $	**Profit or loss** $
Non-recurring fair value measurements		
Asset held for sale	1,000,000	50,000

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

The Group adjusted the yield adjustments based on management's assumption by increasing and decreasing the adjustments by 5% depending on nature, location or condition of the specific property.

(ii) Movements in Level 3 assets measured at fair value

During the financial year, the Group recognised loss from fair value adjustments of asset held for sale which amounted to $20,129.

27. Fair value of assets and liabilities (cont'd)

(b) *Level 3 Fair value measurements (cont'd)*

(iii) Valuation policies and procedures

Management of the Group oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures. In this regard, Management reports to the Group's Audit Committee.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts to perform the valuation. Management is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and FRS 113 *Fair Value Measurement Guidance*.

For valuations performed by external valuation experts, the Management reviews the appropriateness of the valuation methodologies and assumptions adopted. The Management also evaluates the appropriateness and reliability of the inputs used in the valuations.

Significant changes in fair value measurements from period to period are evaluated by Management for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(c) *Assets and liabilities not carried at fair value but for which fair value is disclosed*

	Group 2015				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying amount**
Assets:					
Staff loans	–	–	727,012	727,012	715,000
Loans to external parties	–	–	1,154,347	1,154,347	1,131,618
Liabilities:					
Loans and borrowings					
– Obligations under finance leases (Note 26 (c))	–	–	643,466	643,466	653,297

	Group 2014				
	Fair value measurements at the end of the reporting period using				
	Quoted prices in active markets for identical assets (Level 1)	**Significant observable inputs other than quoted prices (Level 2)**	**Significant unobservable inputs (Level 3)**	**Total**	**Carrying amount**
Assets:					
Staff loans	–	–	174,981	174,981	170,000
Liabilities:					
Loans and borrowings					
– Obligations under finance leases (Note 26 (c))	–	–	592,927	592,927	592,596

27. Fair value of assets and liabilities (cont'd)

(d) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value***

Current trade and other receivables and payables (Note 17 and 20), Cash and bank balances (Note 18) and Other liabilities (Note 21).

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature.

(e) ***Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not 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 reasonable approximation of fair value are as follows:

	2015		**2014**	
	Carrying amount	**Fair value**	**Carrying amount**	**Fair value**
	$	$	$	$
Financial assets:				
Trade and other receivables				
Staff loans (Note 17)	715,000	727,012	170,000	174,981
Loans to external parties (Note 17)	1,131,618	1,154,347	–	–
Financial liabilities:				
Loan and borrowings				
– Obligations under finance leases (Note 26(c))	653,297	643,466	592,596	592,927

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.

28. 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.

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 36% (2014: 39%) 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 17 Trade and other receivables.

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

(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.

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			
2015			
Financial assets:			
Trade and other receivables	18,907,817	–	18,907,817
Cash and bank balances	6,699,475	–	6,699,475
Total undiscounted financial assets	25,607,292	–	25,607,292
Financial liabilities:			
Trade and other payables	17,544,347	–	17,544,347
Other liabilities	5,435,452	–	5,435,452
Loans and borrowings	22,481,631	19,058,998	41,540,629
Total undiscounted financial liabilities	45,461,430	19,058,998	64,520,428
Total net undiscounted financial liabilities	(19,854,138)	(19,058,998)	(38,913,136)
2014			
Financial assets:			
Trade and other receivables	8,400,143	–	8,400,143
Cash and bank balances	10,388,760	–	10,388,760
Total undiscounted financial assets	18,788,903	–	18,788,903
Financial liabilities:			
Trade and other payables	9,847,733	–	9,847,733
Other liabilities	5,546,431	–	5,546,431
Loans and borrowings	11,405,772	12,629,553	24,035,325
Total undiscounted financial liabilities	26,799,936	12,629,553	39,429,489
Total net undiscounted financial liabilities	(8,011,033)	(12,629,553)	(20,640,586)

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

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

	One year or less $	One to five years $	Total $
Company			
2015			
Financial assets:			
Trade and other receivables	7,165,166	–	7,165,166
Cash and bank balances	788,810	–	788,810
Total undiscounted financial assets	7,953,976	–	7,953,976
Financial liabilities:			
Trade and other payables	9,934,977	–	9,934,977
Other liabilities	250,445	–	250,445
Loans and borrowings	1,684,131	14,128,797	15,812,928
Total undiscounted financial liabilities	11,869,553	14,128,797	25,998,350
Total net undiscounted financial liabilities	(3,915,577)	(14,128,797)	(18,044,374)
2014			
Financial assets:			
Trade and other receivables	696,079	–	696,079
Cash and bank balances	2,163,531	–	2,163,531
Total undiscounted financial assets	2,859,610	–	2,859,610
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/(liabilities)	729,763	(12,382,973)	(11,653,210)

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.

	One year or less $	One to five years $	Total $
Company			
2015			
Issued guarantees for bank facilities utilised by subsidiaries	6,948,249	365,488	7,313,737
2014			
Issued guarantees for bank facilities utilised by subsidiaries	1,575,859	–	1,575,859

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

(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 2015 and 2014.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 100 (2014: 100) basis points lower/higher with all other variables held constant, the Group's profit after tax would have been $100,363 (2014: $106,240) 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 are mainly MYR and United States Dollars (USD). Approximately 12% (2014: 19%) 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.

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	
		2015	**2014**
		$	**$**
MYR/SGD	– strengthened 5% (2014: 5%)	(2,034)	(1,348)
	– weakened 5% (2014: 5%)	2,034	1,348
USD/SGD	– strengthened 5% (2014: 5%)	(72,313)	(27,128)
	– weakened 5% (2014: 5%)	72,313	27,128

29. 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 shareholder 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 2015 and 2014.

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	2015	2014
		$	$
Loans and borrowings	19	37,964,473	23,232,120
Trade and other payables	20	17,943,068	10,079,778
Other liabilities	21	5,435,452	5,546,431
Less: Cash and bank balances	18	(6,698,918)	(10,388,371)
Net debt		54,644,075	28,469,958
Equity attributable to the owners of the Company		23,354,053	17,803,661
Capital and net debt		77,998,128	46,273,619
Gearing ratio		70%	62%

30. 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.

30. Segment reporting (cont'd)

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.

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

	Investment holding	Mechanical and electrical	Manu-facturing	Building and constructions solution	Adjustments and eliminations	Note	Total
	$	$	$	$	$		$
31 December 2015							
Revenue:							
External customers	–	60,385,837	16,585,532	13,236,821	–		90,208,190
Inter-segment	–	129,845	4,072,814	2,276,490	(6,479,149)	A	–
Total revenue	–	60,515,682	20,658,346	15,513,311	(6,479,149)		90,208,190
Results:							
Segment results	–	11,813,118	3,804,071	1,536,918	177,298	B	17,331,405
Depreciation	(64,344)	(232,750)	(284,854)	(32,131)	(535,559)		(1,149,638)
Impairment of contract in progress	–	(4,228)	–	–	–		(4,228)
Write back of trade receivables	–	33,625	6,768	–	–		40,393
Bad debt recovered		170,394		4,233			174,627
Bad debt written off	–	(2,271)	–	(29,793)	–		(32,064)
Other income	2,626,717	778,353	561,147	1,795,644	(4,771,006)	C	990,855
Finance costs	(676,510)	(582,178)	(277,246)	(177,193)	411,260		(1,301,867)
Other expenses	(4,209,123)	(4,467,073)	(2,277,871)	(2,169,486)	3,677,314	C	(9,446,239)
Profit before tax	(2,323,260)	7,506,990	1,532,015	928,192	(1,040,693)	C	6,603,244
Income tax expense	(2,754)	(675,594)	353,659	–	–		(324,689)
Profit for the financial year	(2,326,014)	6,831,396	1,885,674	928,192	(1,040,693)	C	6,278,555
Assets:							
Additions to property, plant and equipment	9,105,201	829,291	1,085,279	396,132	(403,670)		11,012,233
Segment assets	43,190,060	36,142,397	17,762,714	15,672,565	(27,212,380)	D	85,555,356
Liabilities:							
Segment liabilities	23,234,007	25,505,746	11,797,583	13,388,285	(11,724,318)	D	62,201,303

30. 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	–	10,251,962	3,445,252	(205,969)	938,360	B	14,429,605
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)	(4,361,286)	(2,167,824)	(889,282)	2,996,008	C	(7,158,753)
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	33,064,470	25,405,442	12,342,620	947,284	(14,860,341)	D	56,899,475
Liabilities:							
Segment liabilities	14,197,940	18,155,199	7,562,391	1,201,283	(2,020,999)	D	39,095,814

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 income 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 (2014: three) of the Group's major customers amounted to $30,641,701 (2014: $30,389,724), arising from the Mechanical and Electrical segment.

31. Dividends

	Group and Company 2015 $	 2014 $
Declared and paid during the financial year:		
Dividend on ordinary shares:		
– Final exempt (one-tier) dividend for 2014: 0.70 cents (2013: 0.20 cents)	834,882	299,172
– Interim exempt (one-tier) dividend for 2015: 0.50 cents (2014: 0.50 cents)	596,345	498,620
	1,431,227	797,792
Proposed but not recognised as a liability as at 31 December:		
Dividend on ordinary shares:		
– Final exempt (one-tier) dividend for 2015: 0.70 cents (2014: 0.70 cents)	822,494	803,068

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

32. Comparatives

The consolidated income statement and consolidated statement of comprehensive income for the Group in 31 December 2014 have been restated, of which the staff salaries that are directly attributable to individual contracts were reclassified from administrative expenses to cost of sales.

The comparatives have been restated and the Group's consolidated income statement and consolidated statement of comprehensive income for 31 December 2014 are as follows:

	Group As previously reported $	 Reclassification $	 As restated $
Revenue	63,667,118	–	63,667,118
Cost of sales	(48,686,131)	(551,382)	(49,237,513)
Gross profit	14,980,987	(551,382)	14,429,605
Administrative expense	(9,489,814)	551,382	(8,938,432)

33. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the Directors on 5 April 2016.

SHAREHOLDERS' INFORMATION

AS AT 29 MARCH 2016

Issued and fully paid-up capital	:	S$18,871,769
Class of Shares	:	Ordinary Shares
Voting rights	:	One vote per ordinary share
Total no. of Issued Ordinary Shares (excluding Treasury Shares)	:	117,499,100

Treasury Shares

The Company has 1,769,900 (1.5%) treasury shares as at 29 March 2016.

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	–	–	–	–
100 – 1,000	13	2.24	10,500	0.01
1,001 – 10,000	147	25.34	1,168,300	0.99
10,001 – 1,000,000	409	70.52	36,138,100	30.76
1,000,001 – and above	11	1.90	80,182,200	68.24
Total	580	100.0	117,499,100	100.00

Twenty Largest Shareholders

No.	Name of Shareholders	Number of Shares	%
1.	Chu Sau Ben	43,248,000 (1)	36.81
2.	Hong Leong Finance Nominees Pte Ltd	8,493,000	7.23
3.	SBS Nominees Pte Ltd	8,000,000	6.81
4.	OCBC Securities Private Ltd	4,954,400	4.22
5.	William Kong Ong Sing	4,545,000	3.87
6.	Chong Yean Fong	3,700,000	3.15
7.	DBS Nominees Pte Ltd	1,692,700	1.44
8.	Citibank Nominees Singapore Pte Ltd	1,643,000	1.40
9.	Phillip Securities Pte Ltd	1,459,700	1.24
10.	Sim Poh Ping	1,400,000	1.19
11.	Hu Zhi Gong	1,046,400	0.89
12.	Koh Thong Huat	1,000,000	0.85
13.	Chua Keng Choon Maurice	984,300	0.84
14.	Raffles Nominees (Pte) Ltd	932,700	0.79
15.	Maybank Kim Eng Securities Pte Ltd	871,200	0.74
16.	Lu Dajun	738,500	0.63
17.	Dong Fa Gen	704,000	0.60
18.	Khoo Teng Huat	700,000	0.60
19.	Ooi Soon Chee	606,300	0.52
20.	Xu Ruibing	574,800	0.49
Total		87,294,000	74.31

Note:

(1) This also includes 16,500,000 issued ordinary shares charged to Mr Toh Soon Huat, 6,818,182 issued ordinary shares charged to Mr Ching Chiat Kwong and 6,818,182 issued ordinary shares charged to Mr Low See Ching

Percentage of shareholding held in the hands of public

As at 29 March 2016, approximately 48.2% of the shareholding in the Company was held in the hands of the public (on the basis of information available to the Company).

Accordingly, the Company has complied with Rule 723 of the SGX-ST Listing Manual Section B: Rules of Catalist.

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

Name of Substantial Shareholders	Direct Interest	%	Deemed Interest	%
Chu Sau Ben (1)	13,111,636	11.16	46,136,364	39.27
Toh Soon Huat (2)	–	–	16,590,000	14.11
Low See Ching (3)	1,000,000	0.85	6,818,182	5.80
Ching Chiat Kwong (4)	–	–	6,818,182	5.80

Notes:

(1) Mr Chu Sau Ben is deemed interested in: (i) the 8,000,000 issued ordinary shares pledged to and registered in the name of Hong Leong Finance Nominees Pte Ltd; (ii) the 8,000,000 issued ordinary shares pledged to and registered in the name of SBS Nominees Private Limited; (iii) the 16,500,000 issued ordinary shares charged to Mr Toh Soon Huat; (iv) the 6,818,182 issued ordinary shares charged to Mr Ching Chiat Kwong; and (v) the 6,818,182 issued ordinary shares charged to Mr Low See Ching.

(2) The deemed interest arose from (a) charge by Mr Chu Sau Ben of an aggregate of 16,500,000 ordinary shares in the capital of Libra Group Limited in favour of Mr Toh Soon Huat to secure personal loans granted to Mr Chu Sau Ben, and (b) 90,000 ordinary shares registered in the name of Philip Securities Pte Ltd which are beneficially owned by Mr Toh Soon Huat.

(3) Mr Low See Ching is deemed interested in 6,818,182 ordinary shares charged in his favour by Mr Chu Sau Ben.

(4) Mr Ching Chiat Kwong is deemed interested in 6,818,182 ordinary shares charged in his favour by Mr Chu Sau Ben.

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 Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Friday, 29 April 2016 at 2.00 p.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2015 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final one-tier tax exempt dividend of 0.70 Singapore cents per ordinary share for the year ended 31 December 2015 (2014: 0.70 Singapore cents).
   [See Explanatory Note (i)] **(Resolution 2)**

3. To re-elect the following Directors retiring pursuant to Regulations 92 and 93 of the Company's Constitution:

Mr Xu Ruibing	(Retiring under Regulation 92)	**(Resolution 3)**
Mr Soon Ai Kwang	(Retiring under Regulation 92)	**(Resolution 4)**
Mr Kong Chee Keong	(Retiring under Regulation 93)	**(Resolution 5)**

   *Mr. Soon Ai Kwang will, upon re-election as a Director of the Company, remain as Chairman of the Nominating Committee and a member of the Audit Committee and Remuneration Committee. 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. Kong Chee Keong will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and a member of the Audit Committee and Nominating Committee. 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**").*

4. To approve the payment of Directors' fees of S$160,000 for the financial year ending 31 December 2016, payable half yearly in arrears (2015: S$160,000). **(Resolution 6)**

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 7)**

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 Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") ("**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

   (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 Constitution 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 8)**

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

(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 9)**

9. **Authority to issue Shares under the Libra Group Limited Scrip Dividend Scheme**

"That approval be and is hereby given to the Directors of the Company to allot and issue from time to time such number of Shares as may be required to be allotted and issued pursuant to Libra Group Limited Scrip Dividend Scheme." **(Resolution 10)**

By Order of the Board

Gn Jong Yuh Gwendolyn
Company Secretary
Singapore, 14 April 2016

Explanatory Notes:

(i) The Ordinary Resolution 2 proposed in item 2 above, if passed, will make a total dividends of 1.20 Singapore cents per ordinary share for FY2015 including the interim dividend of 0.50 Singapore cents per ordinary share paid in September 2015.

(ii) The Ordinary Resolution 8 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 9 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. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the "**Act**"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**"). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. 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.

4. The instrument appointing a proxy must be deposited at the registered office of the Company at **21 Ubi Road 1 #02-02, Singapore 408724** not less than forty-eight (48) hours before the time appointed for holding the AGM.

LIBRA GROUP LIMITED

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

IMPORTANT
Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the **"Act"**), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Annual General Meeting.

Personal Data Privacy
By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 14 April 2016.

PROXY FORM

(Please see notes overleaf before completing this Proxy Form)

*I/We, ______________________________ (Name)

of ______________________________ (Address)

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

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

and/or*

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

Or failing him/her, the Chairman of the Meeting as as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Annual General Meeting ("**AGM**") of the Company to be held at Serangoon Gardens Country Club, 22 Kensington Park Road, Singapore 557271 on Friday, 29 April 2016 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. Voting of the Resolutions will be conducted by poll.

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.	Ordinary Resolutions	For	Against
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2015 together with the Auditors' Report thereon		
2.	Declaration of final one-tier tax exempt dividend of 0.70 Singapore cents per ordinary share for the financial year ended 31 December 2015		
3.	Re-election of Mr Xu Ruibing as Director of the Company		
4.	Re-election of Mr Soon Ai Kwang as Director of the Company		
5.	Re-election of Mr Kong Chee Keong as Director of the Company		
6.	Approval of Directors' fees amounting to S$160,000 for the financial year ending 31 December 2016, payable half yearly in arrears		
7.	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		
8.	General authority to allot and issue shares		
9.	Authority to grant Awards and issue new shares under the Libra Performance Share Plan		
10.	Authority to issue Shares under the Libra Group Limited Scrip Dividend Scheme		

Dated this ______________ day of ______________ 2016

Total number of Shares in:	No. of Shares
CDP Register	
Register of Members	

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

NOTES:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the "**Act**"), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Annual General Meeting ("**AGM**"). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.

2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.

3. A proxy need not be a member of the Company.

4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.

5. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at **21 Ubi Road 1 #02-02, Singapore 408724**, not less than **48 hours** before the time set for the AGM.

6. 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 common seal or under the hand of its attorney or duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. 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 Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the AGM.

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 AGM 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.