# UNAUDITED FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

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

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

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**PART I - INFORMATION REQUIRED FOR FULL YEAR RESULTS ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

**Consolidated Income Statement and Consolidated Statement of Comprehensive Income (FY2015 vs FY2014)**

| | FY2015 (Unaudited) S$'000 | FY2014 (Restated)* S$'000 | Increase/ (Decrease) % |
|---|---|---|---|
| **Revenue** | 90,610 | 63,667 | 42.3% |
| Cost of Sales | (72,841) | (49,238) | 47.9% |
| **Gross profit** | 17,769 | 14,429 | 23.1% |
| Other income | 871 | 262 | *N/M* |
| Administrative expenses | (10,335) | (8,938) | 15.6% |
| Finance costs | (1,702) | (482) | N/M |
| | | | |
| **Profit before tax** | 6,603 | 5,271 | 25.3% |
| Income tax expense | (325) | (28) | N/M |
| **Profit net of tax** | 6,278 | 5,243 | 19.7% |
| | | | |
| Other comprehensive income, net of tax- | | | |
| Foreign currency translation | (40) | (26) | 53.8% |
| **Total comprehensive income** | 6,238 | 5,217 | 19.6% |
| | | | |
| **Profit net of tax attributable to:** | | | |
| Owners of the Company | 6,278 | 5,318 | 18.1% |
| Non-controlling interests | - | (75) | *N/M* |
| | 6,278 | 5,243 | 19.7% |
| | | | |
| **Total comprehensive income attributable to:** | | | |
| Owners of the Company | 6,238 | 5,292 | 17.9% |
| Non-controlling interests | - | (75) | *N/M* |
| | 6,238 | 5,217 | 19.6% |

*N/M – Not meaningful*

**The audited figures in FY2014 have been restated. Please refer to Note 5 for further details*

## 1(a)(ii) Notes to Consolidated Statement of Comprehensive Income

Profit for the year is stated after charging/(crediting):

| | FY2015 (Unaudited) S$'000 | FY2014 (Restated) S$'000 | Increase/ (Decrease) % |
|---|---|---|---|
| Allowance for doubtful trade receivables, net | 69 | 104 | (33.7%) |
| (Write back)/write off of allowance of doubtful debts | (258) | 550 | *N/M* |
| Impairment of gross amount due from customers for contract work-in-progress | - | 686 | *N/M* |
| Depreciation of property, plant and equipment | 1,161 | 440 | 163.9% |
| Provision for obsolete stock | 18 | - | *N/M* |
| (Gain)/loss on disposal of property, plant and equipment | (45) | 60 | *N/M* |
| Impairment of goodwill | - | 42 | *N/M* |

*N/M – Not meaningful*

## 1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

| | Group | | Company | |
|---|---|---|---|---|
| | 31 Dec 2015 | 31 Dec 2014 | 31 Dec 2015 | 31 Dec 2014 |
| | Unaudited | Audited | Unaudited | Audited |
| | S$'000 | S$'000 | S$'000 | S$'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Property, plant and equipment | 29,623 | 19,864 | 9,566 | 16,483 |
| Investment property | - | - | 8,834 | - |
| Goodwill * | 883 | - | - | - |
| Investment in subsidiaries | - | - | 16,634 | 12,634 |
| Deferred tax assets | 359 | - | - | - |
| | 30,865 | 19,864 | 35,034 | 29,117 |
| **Current assets** | | | | |
| Gross amount due from customers for contract work-in-progress | 24,309 | 15,248 | - | - |
| Asset held for sale | 1,000 | - | - | - |
| Inventories | 3,418 | 1,706 | - | - |
| Prepaid operating expenses | 329 | 227 | 88 | 43 |
| Trade and other receivables | 19,062 | 9,466 | 7,280 | 1,741 |
| Cash and cash equivalents | 6,699 | 10,388 | 788 | 2,163 |
| | 54,817 | 37,035 | 8,156 | 3,947 |
| **Total assets** | 85,682 | 56,899 | 43,190 | 33,064 |
| | | | | |
| **EQUITY AND LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Gross amount due to customers for contract work-in-progress | 112 | 167 | - | - |
| Trade and other payables | 18,321 | 10,080 | 10,187 | 1,162 |
| Other liabilities | 5,185 | 5,546 | - | 237 |
| Loan and borrowings | 21,723 | 10,913 | 1,297 | 714 |
| Income tax payable | 746 | 71 | - | - |
| | 46,087 | 26,777 | 11,484 | 2,113 |
| **Net current assets/(liabilities)** | 8,730 | 10,258 | (3,328) | 1,834 |
| | | | | |
| **Non-current liabilities** | | | | |
| Loan and borrowings | 16,241 | 12,319 | 11,751 | 12,086 |
| | 16,241 | 12,319 | 11,751 | 12,086 |
| **Total liabilities** | 62,328 | 39,096 | 23,235 | 14,199 |
| **Net assets** | 23,354 | 17,803 | 19,955 | 18,865 |
| | | | | |
| **Equity attributable to owners of the Company** | | | | |
| Share capital | 18,393 | 17,393 | 18,393 | 17,393 |
| Treasury shares | (256) | - | (256) | - |
| Foreign currency translation reserve | (76) | (36) | - | - |
| Premium paid on acquisition of non-controlling interests | (355) | (355) | - | - |
| Merger reserves | (7,442) | (7,442) | - | - |
| Retained earnings | 13,090 | 8,243 | 1,818 | 1,472 |
| **Total equity** | 23,354 | 17,803 | 19,955 | 18,865 |
| **Total equity and liabilities** | 85,682 | 56,899 | 43,190 | 33,064 |

* Provisional goodwill

In accordance with FRS 103, “Business Combinations”, a purchase price allocation (“PPA”) exercise is being carried out to assess the fair values of the net identifiable assets of Cyber Builders Pte Ltd (“Cyber”), a wholly-owned subsidiary of the Company, the acquisition of which was completed on 15 April 2015.

The excess of the cost of acquisition over the fair values of the net identifiable assets will be recorded as goodwill in the balance sheet and subject to an annual impairment test. In accordance with FRS 103 Business Combinations, the finalisation of purchase price allocation are to be made within twelve months from the date of acquisition of which the review of PPA is still ongoing as at the date of the announcement.

As at the date of this announcement, the Group has not finalised the fair value assessments for intangible assets acquired from the acquisition. The relevant fair values of net assets stated above are on a provisional basis.

## 1(b)(ii) Aggregate amount of group’s borrowings and debt securities

**Amount repayable in one year or less, or on demand**

| As at 31 December 2015 (Unaudited) | | As at 31 December 2014 (Audited) | |
|---|---|---|---|
| **Secured S$’000** | **Unsecured S$’000** | **Secured S$’000** | **Unsecured S$’000** |
| 21,723 | - | 10,913 | - |

**Amount repayable after one year**

| As at 31 December 2015 (Unaudited) | | As at 31 December 2014 (Audited) | |
|---|---|---|---|
| **Secured S$’000** | **Unsecured S$’000** | **Secured S$’000** | **Unsecured S$’000** |
| 16,241 | - | 12,319 | - |

**Details of any collateral**

Obligations under finance leases are secured over the leased assets. Trade facilities and bank borrowings are secured by corporate guarantees from the Company. The Group’s secured borrowings comprised of loans which are secured by way of legal mortgages of certain leasehold properties of its subsidiaries. A term loan facility of S$1 million is jointly secured by a personal guarantee provided by the Company’s Executive Chairman and Chief Executive Officer, Mr Chu Sau Ben, and corporate guarantee from the Company.

## 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

| | Group | |
|---|---|---|
| | **FY2015** | **FY2014** |
| | **(Unaudited)** | **(Audited)** |
| | **S$'000** | **S$'000** |
| **Cash flows from operating activities** | | |
| Profit before tax | 6,603 | 5,271 |
| Adjustments: | | |
| Depreciation of property, plant and equipment | 1,161 | 440 |
| Allowance for doubtful trade receivables, net | 69 | 104 |
| (Write back)/write off of allowance for doubtful debts | (258) | 550 |
| (Gain)/loss on disposal of property, plant and equipment | (45) | 60 |
| Impairment of goodwill | - | 42 |
| Provision for obsolete stock | 18 | - |
| Impairment of gross amount due from customers for contract work-in-progress | - | 686 |
| Finance costs | 1,702 | 482 |
| Translation difference | (41) | (26) |
| **Operating cash flows before working capital changes** | 9,209 | 7,609 |
| Changes in working capital: | | |
| Increase in gross amount due from customers for contract work-in-progress | (9,061) | (5,892) |
| (Decrease)/increase in gross amount due to customers for contract work-in-progress | (55) | 20 |
| Increase in inventories | (1,730) | (388) |
| Increase in prepaid operating expenses | (102) | (8) |
| Increase in trade and other receivables | (5,298) | (4,125) |
| Increase in trade and other payables | 5,223 | 3,967 |
| (Decrease)/increase in other liabilities | (361) | 3,630 |
| Cash flows (used in)/generated from operations | (2,175) | 4,813 |
| Interest paid | (1,702) | (482) |
| Income tax (paid)/refund | (7) | 1 |
| **Net cash flows (used in)/generated from operating activities** | (3,884) | 4,332 |
| | | |
| **Cash flows from investing activities** | | |
| Net cash outflow on acquisition of subsidiary | (300) | (290) |
| Purchase of property, plant and equipment | (10,568) | (17,780) |
| Proceeds from disposal of property, plant and equipment | 8 | 16 |
| **Net cash flows used in investing activities** | (10,860) | (18,054) |
| | | |
| **Cash flows from financing activities** | | |
| Purchase of treasury shares | (256) | - |
| Proceeds from loans and borrowings | 59,559 | 43,346 |
| Repayment of loans and borrowings | (46,817) | (24,701) |
| Dividend paid on ordinary shares | (1,431) | (798) |
| Proceeds from issuance of ordinary shares | - | 3,000 |
| Share issuance expenses | - | (183) |
| **Net cash flows generated from financing activities** | 11,055 | 20,664 |
| **Net (decrease)/increase in cash and cash equivalents** | (3,689) | 6,942 |
| **Cash and cash equivalents at 1 January** | 10,388 | 3,446 |
| **Cash and cash equivalents at 31 December** | 6,699 | 10,388 |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

| | Attributable to Owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Treasury shares | Foreign currency translation reserve | Merger reserve | Premium on acquisition of Non-Controlling interests | Retained earnings | Total equity attributable to owners of the parent | Non-controlling Interests | Total equity |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| Group (Unaudited) | | | | | | | | | |
| **Balance as at 1 January 2015** | 17,393 | - | (36) | (7,442) | (355) | 8,243 | 17,803 | - | 17,803 |
| Profit for the financial year | - | - | - | - | - | 6,278 | 6,278 | - | 6,278 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation | - | - | (40) | - | - | - | (40) | - | (40) |
| Total comprehensive income for the financial year | - | - | (40) | - | - | 6,278 | 6,238 | - | 6,238 |
| Issuance of new ordinary shares pursuant to acquisition of a subsidiary | 1,000 | - | - | - | - | - | 1,000 | - | 1,000 |
| Share issue expenses | - | - | - | - | - | - | - | - | - |
| Purchase of treasury shares | - | (256) | - | - | - | - | (256) | | (256) |
| Dividends | - | - | - | - | - | (1,431) | (1,431) | - | (1,431) |
| **Balance as at 31 December 2015** | 18,393 | (256) | (76) | (7,442) | (355) | 13,090 | 23,354 | - | 23,354 |
| Group (Audited) | | | | | | | | | |
| **Balance as at 1 January 2014** | 14,576 | - | (10) | (7,442) | - | 3,723 | 10,847 | 10 | 10,857 |
| Profit/(loss) for the financial year | - | - | - | - | - | 5,318 | 5,318 | (75) | 5,243 |
| Other comprehensive income | | | | | | | | | |
| Foreign currency translation | - | - | (26) | - | - | - | (26) | - | (26) |
| Total comprehensive income for the financial year | - | | (26) | - | | 5,318 | 5,292 | (75) | 5,217 |
| Issuance of new ordinary shares pursuant to placement shares | 3,000 | - | - | - | - | - | 3,000 | - | 3,000 |
| Share issue expenses | (183) | - | - | - | - | - | (183) | - | (183) |
| Dividends | - | - | - | - | - | (798) | (798) | - | (798) |
| Acquisition of non-controlling interest without a change in control | - | - | - | - | (355) | - | (355) | 65 | (290) |
| **Balance as at 31 December 2014** | 17,393 | - | (36) | (7,442) | (355) | 8,243 | 17,803 | - | 17,803 |

| | Attributable to Owners of the Company | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Share capital | Treasury shares | Foreign currency translation reserve | Merger reserve | Premium on acquisition of Non-Controlling interests | Retained earnings | Total equity attributable to owners of the parent | Non-controlling Interests | Total equity |
| | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 | S$'000 |
| **Company (Unaudited)** | | | | | | | | | |
| **Balance as at 1 January 2015** | 17,393 | - | - | - | - | 1,472 | 18,865 | - | 18,865 |
| Profit for the financial year | - | - | - | - | - | 1,777 | 1,777 | - | 1,777 |
| Issuance of new ordinary shares pursuant to acquisition of a subsidiary | 1,000 | - | - | - | - | - | 1,000 | - | 1,000 |
| Purchase of treasury shares | - | (256) | - | - | - | - | (256) | | (256) |
| Dividends | - | - | - | - | - | (1,431) | (1,431) | - | (1,431) |
| **Balance as at 31 December 2015** | 18,393 | (256) | - | - | - | 1,818 | 19,955 | - | 19,955 |
| **Company (Audited)** | | | | | | | | | |
| **Balance as at 1 January 2014** | 14,576 | - | - | - | - | (670) | 13,906 | - | 13,906 |
| Profit for the financial year | - | - | - | - | - | 2,940 | 2,940 | - | 2,940 |
| Issuance of new ordinary shares pursuant to placement shares | 3,000 | - | - | - | - | - | 3,000 | - | 3,000 |
| Share issue expenses | (183) | - | - | - | - | - | (183) | - | (183) |
| Dividends | - | - | - | - | - | (798) | (798) | - | (798) |
| **Balance as at 31 December 2014** | 17,393 | - | - | - | - | 1,472 | 18,865 | - | 18,865 |

**1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

| | Company | |
|---|---|---|
| | **Number of Shares** | **Share Capital (S$)** |
| Issued and fully paid: | | |
| As at 1 July 2015 | 119,269,000 | 18,393,204 |
| Shares bought back and held as treasury shares [1] | (1,769,900) | (256,159) |
| As at 31 December 2015 | 117,499,100 | 18,137,045 |

Note:

(1) The Company had purchased an aggregate of 1,769,900 ordinary shares of the Company in December 2015 pursuant to its share buy-back mandate which was approved by the Company's shareholders on 5 August 2015.

The Company had 1,769,900 treasury shares as at 31 December 2015 pursuant to the share buybacks which were made in December 2015, as disclosed in Note 1 above. The Company did not have any outstanding options or convertibles as at 31 December 2015. There have been no awards granted pursuant to the Libra Performance Share Plan.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 December 2014.

**1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

| | **31 Dec 2015 Unaudited** | **31 Dec 2014 Audited** |
|---|---|---|
| Total number of issued shares | 119,269,000 | 114,724,000 |
| Total number of treasury shares | (1,769,900) | - |
| Total number of issued shares (excluding treasury shares) | 117,499,100 | 114,724,000 |

The Company had on 15 April 2015 issued and allotted 4,545,000 new ordinary shares in the capital of the Company as consideration for the acquisition of 100% equity interest in Cyber.

**1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

Not applicable. There were no sales, transfers, disposals, cancellation and/or use of treasury shares during and as at the end of FY2015.

## 2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's independent auditors.

## 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

## 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The financial statements for the current financial year reported on had been prepared using the same accounting policies and methods of computation applied by the Group in its most recently audited financial statements for the financial year ended 31 December 2014, except as disclosed in paragraph 5 below.

## 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new and revised Singapore Financial Reporting Standards ("FRS") and Interpretations of Financial Reporting Standards ("INT FRS") that are relevant to its operations and are effective for the financial periods beginning on or after 1 January 2015. The adoption of these new and revised FRS and INT FRS did not result in substantial changes to the Group's accounting policies and methods of computation and had no material impact to the Group's and the Company's financial statements for the current financial year ended 31 December 2015.

Restatement Comparatives

The consolidated income statement and consolidated statement of comprehensive income for the Group in FY2014 have been restated, of which the staff salaries that are directly attributable to individual contracts were allocated accordingly over the period of which the revenue was recognised.

The effects of the change on the Group's consolidated income statement and consolidated statement of comprehensive income for FY2014 are as follows:

| | Group | | |
|---|---|---|---|
| | As Restated FY2014 S$000 | As Audited FY2014 S$000 | Increase/ (Decrease) S$000 |
| Revenue | 63,667 | 63,667 | - |
| Cost of Sales | (49,238) | (48,686) | (552) |
| Gross Profit | 14,429 | 14,981 | (552) |
| Administrative expense | (8,938) | (9,490) | 552 |
| Profit before tax | 5,271 | 5,271 | - |
| Profit net of tax attributable to: | | | |
| Owners of the Company | 5,318 | 5,318 | - |
| Non-controlling interest | (75) | (75) | - |
| | 5,243 | 5,243 | - |

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

| | Group | |
|---|---|---|
| | **FY2015 Unaudited** | **FY2014 Restated** |
| Profit attributable to owners of the Company (S$'000) | 6,278 | 5,318 |
| Weighted average number of ordinary shares in issue | 117,973,986 | 102,970,575 |
| Basic and diluted earnings per ordinary share ("EPS")(Singapore cents) | 5.32 | 5.16 |

The basic and diluted EPS for the respective financial years are computed based on the profit attributable to the owners of the Company and the weighted average of the Company's ordinary shares in issue during the respective financial years.

The basic and diluted EPS are the same as there were no potentially dilutive ordinary shares in issue during and as at the end of the respective financial years.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares (excluding treasury shares) of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

| | Group | | Company | |
|---|---|---|---|---|
| | **31 Dec 2015 (Unaudited)** | **31 Dec 2014 (Audited)** | **31 Dec 2015 (Unaudited)** | **31 Dec 2014 (Audited)** |
| Net asset value per ordinary share based on issued share capital (excluding treasury shares) (Singapore cents) | 19.88 | 15.52 | 16.98 | 16.44 |
| Number of issued shares (excluding treasury shares) | 117,499,100 | 114,724,000 | 117,499,100 | 114,724,000 |

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

**(i) Review of the Group's income statement (FY2015 vs FY2014)**

The Group's total revenue increased by S$26.9 million (42.3%), from S$63.7 million in FY2014 to S$90.6 million in FY2015.

This increase was attributable to 1) increase in revenue from the mechanical and electrical engineering (M&E) segment of S$14.4 million (31.3%) from S$46.0 million in FY2014 to S$60.4 million in FY2015, primarily due to higher order intakes, 2) increase in revenue from the manufacturing segment of S$0.4 million (2.3%) from S$16.2 million in FY2014 to S$16.6 million in FY2015, primarily due to increased sales volume of ducting and accessories, and 3) increase in revenue contribution from the building and construction solutions segment of S$12.2 million in FY2015, primarily due to the consolidation of the results of Cyber following the completion of its acquisition in April 2015.

The Group's cost of sales increased by S$23.6 million (47.9%), from S$49.2 million in FY2014 to S$72.8 million in FY2015. This increase was attributable to 1) increase in cost of sales mainly attributable to the increase in sub-contractor costs in line with the increase in revenue and 2) the consolidation of the results of Cyber following the completion of its acquisition in April 2015.

Our Group's gross profit of S$17.7 million in FY2015 was higher than the gross profit of S$14.4 million in FY2014, mainly due to 1) a gross profit of S$2.3 million from the building and construction solutions segment, a reversal from a gross loss of S$0.2 million in FY2014, as a result of the consolidation of Cyber's results since April 2015, 2) an increase in year-on-year ("YoY") gross profit of S$1.5 million from the M&E segment in tandem with higher project completion and improved project execution and productivity, and 3) an increase in YoY gross profit of S$0.4 million from the manufacturing segment due to above-mentioned increased sales volume of ducting and accessories.

Our gross profit margin decreased from 22.6% in FY2014 to 19.6% in FY2015, mainly due to the lower margin recorded by the M&E segment.

For the M&E segment, the decrease in gross profit margin by 2.7 percentage points to 19.6% was due to more competitive pricing submitted for projects secured.

For the manufacturing segment, the increase in gross profit margin by 1.6 percentage points to 22.9% was mainly due to meeting the increased sales order volume from external customers as well as internal consumption in line with higher M&E order intakes, whilst reducing trading sales which yielded lower profit margin.

The building and construction solutions segment recorded a gross profit margin of 16.7% in FY2015 as compared to a gross loss in FY2014 mainly due to consolidation of Cyber's gross profit as a result of the strengthened project execution and controls.

Other income increased by S$0.6 million from S$0.3 million in FY2014 to S$0.9 million in FY2015 mainly due to S$0.4 million in compensation received by the Group in relation to the termination of a sub-contract for dry architectural work and S$0.2 million recognised as a recourse against the vendor of Cyber, as part of the covenants in the sale and purchase agreement ("SPA") for the acquisition of Cyber.

Administrative expenses increased by S$1.4 million (15.6%) from S$8.9 million in FY2014 to S$10.3 million in FY2015. This was mainly due to 1) the consolidation of Cyber's expenses since April 2015 (including depreciation charge of S$0.5 million on Sungei Kadut Loop property), 2) land rental expense and property tax incurred for the Company's factory at 53 Loyang Drive, 3) higher salaries and wage expenditure due to increase in headcount for employees and workers as part of the Group's growth and expansion plans as well as salary adjustments, which was offset by 4) the decrease in the provision for impairment of contract work-in-progress due to more stringent project tendering analysis and selection process with tight risk management controls as well as 5) the decrease in the allowance for doubtful debts as a result of the tighter credit control policy implemented.

Finance costs increased by S$1.2 million from S$0.5 million in FY2014 to S$1.7 million in FY2015, mainly due to the increase in project financing utilised by the Group in FY2015, which was in line with the increase in the Group's project activities

Due to the aforementioned factors, the Group's profit before tax in FY2015 was S$6.6 million, as compared to S$5.3 million in FY2014.

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

**(ii) <u>Review of the Group's financial position</u>**

**<u>Non-Current Assets</u>**

Non-current assets increased by S$11.0 million to S$30.9 million as at 31 December 2015 from S$19.9 million as at 31 December 2014. The increase was mainly due to 1) the purchase of a property at Sungei Kadut Loop which amounted to S$7.0 million including S$0.2 million of incidental cost capitalised and the capitalization of S$1.5 million of cost for asset-under construction in the Company's factory at 53 Loyang Drive, 2) a provisional goodwill of S$0.9 million which arose from the acquisition of Cyber(please refer to page 5 of this announcement for further details on the provisional goodwill) and 3) deferred tax assets of S$0.4 million arising from higher productivity and innovation credit allowance as a result of purchase of machineries and equipment.

**<u>Current Assets</u>**

As at 31 December 2015, current assets stood at S$54.8 million. This was an increase of S$ 17.8 million as compared to S$37.0 million as at 31 December 2014 due to the following:

- Increase in gross amount due from customers for contract work-in-progress of S$9.1 million which resulted from increased works done in line with increased project activities, yet to be billed;
- Increase in trade and other receivables of S$9.6 million due to increased project billings in line with the increase in project activities. Majority of the trade receivables which remained outstanding as at 31 December 2015 were within the credit terms granted;
- Increase in inventories holding of S$1.7 million mainly due to bulk purchase of inventory items such as coils used in the production for our manufacturing segment which was in line with the increased sales volume and production capacity in line with corporate strategy expansion plan;
- An asset held for sale of S$1.0 million which relates to the property owned by Cyber and located at Link @AMK. In accordance with the post-completion covenants of the SPA, the property is to be disposed of within 12 months from the completion date of the acquisition of Cyber;

*Offset by*

- Decrease in cash and bank balances of S$3.7 million mainly attributable to 1) Increase in working capital requirement as a result of the Group's increased project activities, 2) higher capital expenditure on machineries and equipment and 3) payment for the purchase of the property at Sungei Kadut Loop which is partially being utilised as a worker's dormitory.

**Current Liabilities**

As at 31 December 2015, current liabilities stood at S$46.1 million, which represented an increase of S$19.3 million when compared to S$26.8 million as at 31 December 2014. This increase was mainly due to:

- Increase in loans and borrowings of S$10.8 million mainly attributable to 1) S$4.8 million of new mortgage loan which was secured for the purchase of the Sungei Kadut Loop property 2) increase in project factoring and trade financing utilisation in line with the higher project order intake and 3) the mortgage loan which was secured for the property at Link @ AMK; and
- An increase in trade and other payables of S$8.2 million due to decrease in payment to vendors as part of working capital management and in line with increased projects and business activities of the Group.

**Non-Current Liabilities**

As at 31 December 2015, non-current liabilities increased by S$3.9 million to S$16.2 million from S$12.3 million as at 31 December 2014, mainly due to an additional mortgage loan on the Sungei Kadut Loop property.

**Equity attributable to owners of the Company**

Equity attributable to owners of the Company amounted to S$23.4 million as at 31 December 2015, which reflected an increase of S$5.6 million when compared to S$17.8 million as at 31 December 2014, mainly arising from 1) S$6.3 million of net profits in FY2015 partially offset by S$1.4 million of dividends paid in FY2015 and 2) S$1.0 million in relation to the issuance of new ordinary shares as consideration for the acquisition of Cyber.

The Group has a positive working capital of S$8.7 million as at 31 December 2015, compared to S$10.3 million as at 31 December 2014.

**Review of Group's Cash Flow**

In FY2015, the net cash flows used in operating activities amounted to S$3.9 million mainly due to operating cash flows before working capital changes of S$9.2 million, adjusted for net working capital outflows of S$11.4 million, as well as finance cost of S$1.7 million. The net working capital outflows were mainly due to the increase in gross amount due from customers for contract work-in-progress of S$9.1 million, the increase in inventories of S$1.7 million and increase in trade and other receivables of S$5.3 million, partially offset by the increase in trade and other payables of S$5.2 million.

Net cash used in investing activities of S$10.9 million in FY2015 was mainly attributable to the purchase of property, plant and equipment of S$10.6 million.

Net cash generated from financing activities amounted to S$11.1 million in FY2015 due to the net proceeds from bank loans and borrowings of S$12.7 million, which are mainly due to project financing, capital expenditure and purchase of the property at Sungei Kadut Loop, offset by dividend payment of S$1.4 million and purchase of treasury shares of S$0.3 million.

As at 31 December 2015, the Group's cash and cash equivalents stood at S$6.7 million.

## 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

We refer to the clarification announcement dated 31 August 2015 in relation to the statement, "*Unfazed by the headwinds, Libra's management is optimistic about delivering top- and bottom-line growth this year.*" published in The Edge Singapore (the "**Article**"). There is no variation from the aforementioned statement in the Article as the Group had recorded a YoY increase of 42.3% and 25.3% for its revenue and profit before tax in FY2015, respectively.

## 10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The construction industry outlook remains challenging in the next 12 months with increasing competition and anticipated increase in labour cost. To gain competitive advantage, our Group will continue to focus on building up our strength through continuous innovation and integration strategies. The Group remains cautious amid the prevailing economic uncertainties and will be selective in pursuing projects and investment opportunities with a focus on completing its ongoing engineering and construction projects, and at the same time tapping on its new business networks and strong credentials to secure new projects.

The M&E business of the Group has successfully obtained a registration from the Building and Construction Authority ("BCA") with a higher BCA grading from L5 category to L6 category for the workhead ME05 (electrical engineering) which would enable the Company to tender for unlimited amount of public government projects under the approval of BCA.

The building and construction solutions business of the Group through Cyber, has successfully obtained registration for a higher BCA grade from C1 category to B1 category for the workhead CW01 (general building). The B1 category enables Cyber to tender for public sector construction tenders or construction projects of up to S$42 million.

We will continue to manage escalating labour costs through productivity improvement and other cost savings strategies in selling, general and administrative expenses. On a long term basis, our Group will continue seeking potential opportunities to achieve sustainable growth.

## 11. Dividend

### (a) Current Financial Period Reported On

Yes

| Name of Dividend | Proposed Final Dividend |
|---|---|
| Dividend type | Cash |
| Dividend amount per ordinary share | 0.70 Singapore cents (S$0.007) |
| Tax rate | One-tier tax exempt |

The proposed final dividend is subject to shareholders' approval at the forthcoming annual general meeting. Including the interim cash dividend (one-tier tax exempt) of 0.50 Singapore cents (S$0.005) per ordinary share which was declared for the 6 months ended 30 June 2015 and paid in September 2015, the total dividends for FY2015 would amount to 1.20 Singapore cents (S$0.012) per share, consistent with the preceding financial year.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes. An interim cash dividend was declared for the 6 months ended 30 June 2014 ("HY2014") and a final cash dividend was declared for FY2014. Please refer to the tables below for details. The total dividends declared and paid for FY2014 amounted to 1.20 Singapore cents (S$0.012) per ordinary share.

| **Name of Dividend** | **Interim Dividend** |
|---|---|
| Dividend type | Cash |
| Dividend amount per ordinary share | 0.50 Singapore cents (S$0.005) |
| Tax rate | One-tier tax exempt |

| **Name of Dividend** | **Final Dividend** |
|---|---|
| Dividend type | Cash |
| Dividend amount per ordinary share | 0.70 Singapore cents (S$0.007) |
| Tax rate | One-tier tax exempt |

**(c) Date payable:** To be announced at a later date.

**(d) Books closure date:** To be announced at a later date

**12. If no dividend has been declared (recommended), a statement to that effect.**

Not applicable.

**13. If the group has obtained a general mandate from shareholders for interested person transactions ("IPTs"), the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group does not have a general mandate for IPTs.

The aggregate value of IPTs during FY2015 is as follows:

| Name of interested person | 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 of the Catalist Rules) | Aggregate value of all IPTs conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S$100,000) |
|---|---|---|
| Chu Sau Ben (1) | S$717,670 (2) | - |
| Xu Ruibing (3) | S$250,000 (4) | |

Notes:

1) Mr Chu Sau Ben is the Executive Chairman and CEO of the Company.
2) Term loan facility 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 (please refer to Section 1(b)(ii)). 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 been discharged as at the date of this announcement.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

### 14. Segmented revenue and results for operating segments of the group in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

| | Investment holding S$'000 | M&E S$'000 | Manufacturing S$'000 | Building & Construction Solutions S$'000 | Adjustments & Eliminations S$'000 | Total S$'000 |
|---|---|---|---|---|---|---|
| **FY2015 (Unaudited)** | | | | | | |
| **REVENUE** | | | | | | |
| External revenue | - | 60,386 | 16,585 | 13,639 | - | 90,610 |
| Inter-segment | - | 130 | 4,073 | 2,276 | (6,479) | - |
| Total revenue | - | 60,516 | 20,658 | 15,915 | (6,479) | 90,610 |
| **RESULTS** | | | | | | |
| Segment gross profit | - | 11,813 | 3,804 | 2,283 | (131) | 17,769 |
| Segment (loss)/profit | (2,323) | 7,507 | 1,521 | 897 | (999) | 6,603 |
| **ASSETS** | | | | | | |
| Trade receivables | - | 6,329 | 2,588 | 5,583 | (1,601) | 12,899 |
| Segment assets | 43,190 | 36,141 | 17,491 | 15,673 | (26,813) | 85,682 |
| **LIABILITIES** | | | | | | |
| Loans and borrowings | 13,048 | 9,403 | 7,428 | 8,085 | - | 37,964 |
| Segment liabilities | 23,234 | 25,505 | 11,785 | 13,388 | (11,584) | 62,328 |
| **FY2014 (Restated)** | | | | | | |
| **REVENUE** | | | | | | |
| External revenue | - | 46,032 | 16,206 | 1,463 | (34) | 63,667 |
| Inter-segment | - | - | 2,516 | - | (2,516) | - |
| Total revenue | - | 46,032 | 18,722 | 1,463 | (2,550) | 63,667 |
| **RESULTS** | | | | | | |
| Segment gross profit | - | 10,252 | 3,444 | (206) | 939 | 14,429 |
| Segment profit | 270 | 4,931 | 1,094 | (974) | (50) | 5,271 |
| **ASSETS** | | | | | | |
| Trade receivables | - | 3,786 | 3,638 | 158 | - | 7,582 |
| Segment assets | 33,064 | 25,405 | 12,046 | 947 | (14,563) | 56,899 |
| **LIABILITIES** | | | | | | |
| Loans and borrowings | 12,800 | 5,792 | 4,640 | - | - | 23,232 |
| Segment liabilities | 14,198 | 18,155 | 7,562 | 1,201 | (2,020) | 39,096 |

**Geographical segments**

Our Group's revenue is derived only in Singapore and as such, it is not meaningful to report the Group's results by geographical segments.

## 15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Paragraph 8.

## 16. A breakdown of sales

| | FY2015 (Unaudited) S$'000 | FY2014 (Restated) S$'000 | Increase/ (Decrease) % |
|---|---|---|---|
| **1st Half** | | | |
| Sales reported for the 1st half year | 39,049 | 27,928 | 39.8 |
| Operating profit after tax before deducting minority interests reported for the 1st half year | 2,168 | 2,912 | (25.5) |
| **2nd Half** | | | |
| Sales reported for the 2nd half year | 51,561 | 35,739 | 44.3 |
| Operating profit after tax before deducting minority interests reported for the 2nd half year | 4,110 | 2,331 | 76.3 |

## 17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

| | FY2015[(1)] | FY2014 |
|---|---|---|
| | S$ | S$ |
| Ordinary | 1,418,839 | 1,301,688 |
| **Total** | **1,418,839** | **1,301,688** |

Note:

(1) The proposed final dividend of 0.70 Singapore cents (S$0.007) per ordinary share was calculated based on the number of ordinary shares (excluding treasury shares) in issue as at 31 December 2015, and is subject to the approval of shareholders at the forthcoming annual general meeting. Including the interim dividend of 0.50 Singapore cents (S$0.005) per ordinary share which was paid in September 2015, the total annual dividend for FY2015 would amount to S$1,418,839, an increase of S$117,151 when compared to FY2014.

**18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (10) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Pursuant to Rule 704(10) of the Listing Manual Section B: Rules of Catalist of the SGX-ST, we set out below the persons holding managerial positions in the Group who are related to the Directors, Chief Executive Officer or substantial shareholders of the Company or of any of its principal subsidiaries:

| Name | Age | Family relationship with any director, CEO &/or substantial shareholder | Current position and duties, and the year the position was first held | Details of changes in duties and position held, if any during the year |
|---|---|---|---|---|
| Chu Fai Fong | 45 | Sister of Executive Chairman and CEO, Chu Sau Ben | ***1) Group Credit Controller of Libra Group Limited (since 2013)***<br><br>Responsible for the Group customers' credit evaluation and accounts receivable management<br><br>***2) Director of Libra Engineering Sdn Bhd (since 2014)*** (1)<br><br>Currently a dormant Company with no active operations | No change during the year. |
| Chu Kee Yong | 43 | Sister of Executive Chairman and CEO, Chu Sau Ben | ***Assistant General Manager (since 2015)***<br><br>Responsible for overseeing the operations and productions of the Company | Ms Chu Kee Yong was promoted from Assistant Operations Manager to Assistant General Manager in 2015.<br><br>In her previous role as the Assistant Operations Manager, she was responsible for the coordination of the sale of ACMV ducts and production planning.<br><br>In her current role as the Assistant General Manager, she is responsible for overseeing the operations and productions of the Company. |

Note:

(1) In addition to her role as the Group Credit Controller of Libra Group Limited, Ms Chu Fai Fong was appointed as Director of Libra Engineering Sdn Bhd (currently dormant) in 2014.

**BY ORDER OF THE BOARD**

Chu Sau Ben
Executive Chairman and Chief Executive Officer

Date: 29 February 2016