

LIBRA

GROUP LIMITED

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

Unaudited Full Year Financial Statements and Dividend Announcement for the Financial Year Ended 31 December 2019

*This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

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PART I – INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENTS

1(a)(i) A statement of comprehensive income, for Libra Group Limited (“Company”, and together with its subsidiaries, “Group”), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of comprehensive income	FY2019	FY2018	Increase / (Decrease)
(\$)	(Unaudited)	(Audited)	(%)
<u>Continuing operations</u>			
Revenue	37,190,703	104,271,197	(64.3)
Cost of sales	(43,522,987)	(90,257,501)	(51.8)
Gross (loss) / profit	(6,332,284)	14,013,696	n.m.
Other income	2,717,415	3,260,001	(16.6)
<i>Other items of expenses:</i>			
Administrative expenses	(21,250,923)	(14,602,870)	45.5
Impairment losses on financial assets	–	(2,998,703)	(100.0)
Impairment losses on contract assets	–	(1,110,661)	(100.0)
Finance costs	(896,784)	(1,927,817)	(53.5)
(Loss) before tax from continuing operations	(25,562,576)	(3,366,354)	665.3
Income tax expenses	(91,661)	(992,496)	(90.8)
(Loss) from continuing operations, net of tax	(25,854,237)	(4,358,850)	493.1
<u>Discontinued operations⁽¹⁾</u>			
(Loss) from discontinued operations, net of tax	(17,911,654)	–	n.m.
(LOSS) FOR THE FINANCIAL YEAR	(43,765,891)	(4,358,850)	904.1
(Loss) for the financial year attributable to:			
<i>Owners of the Company</i>			
(Loss) from continuing operations, net of tax	(25,854,237)	(3,459,328)	647.4
(Loss) from discontinued operations, net of tax	(17,387,260)	–	n.m.
<i>Non-controlling interests</i>			
(Loss) from continuing operations, net of tax	–	(899,522)	(100.0)
(Loss) from discontinued operations, net of tax	(524,394)	–	n.m.

Statement of comprehensive income	FY2019	FY2018	Increase / (Decrease)
(S\$)	(Unaudited)	(Audited)	(%)
Other comprehensive income, net of tax			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Foreign currency translation	–	(80,596)	(100.0)
Total comprehensive (loss) for the year	(43,765,891)	(4,439,446)	885.8
Total comprehensive (loss) attributable to:			
<i>Owners of the Company</i>			
(Loss) from continuing operations, net of tax	(25,854,237)	(3,529,206)	632.6
(Loss) from discontinued operations, net of tax	(17,387,260)	–	n.m.
<i>Non-controlling interests</i>			
(Loss) from continuing operations, net of tax	–	(910,240)	100.0
(Loss) from discontinued operations, net of tax	(524,394)	–	n.m.

Note:

- (1) During the financial year ended 31 December 2019, the Company announced, *inter alia*:
- (i) On 15 April 2019, the Company announced that it had entered into a memorandum of understanding (“**MOU**”) with Mr Chu Sau Ben and YC Capital Consolidated Sdn. Bhd. and its subsidiaries (“**YC Group**”) in relation to the proposed disposal of the Group’s 51.0% of the issued and paid-up shares in YC Capital Consolidated Sdn. Bhd..
 - (ii) On 28 November 2019, the Company announced the voluntary winding up of its wholly-owned subsidiary, Libra Building Construction Pte. Ltd. (“**LBC**”). Mr Lim Loo Khoon and Mr Tan Wei Cheong, all care of Deloitte & Touche LLP, 6 Shenton Way, #33-00 OUE Downtown 2, Singapore 068809 have been appointed as joint and several provisional liquidators of LBC.
 - (iii) On 30 December 2019, the Group announced the voluntary winding up of its wholly-owned subsidiary, Cyber Builders Pte. Ltd. (“**CB**”). Mr Lim Loo Khoon and Mr Tan Wei Cheong, all care of Deloitte & Touche LLP, 6 Shenton Way, #33-00 OUE Downtown 2, Singapore 068809 have been appointed as joint and several provisional liquidators of CB.
 - (iv) On 2 January 2020, the Company announced that it has entered into a legally-binding memorandum of understanding with Cascade Metals Pte. Ltd. (“**Buyer**”) for the disposal of 100.0% shareholding interest in Libra Engineering Pte. Ltd. (“**LE**”). The Company is currently still in discussions with the Buyer on the sale. With reference to the Company’s announcements on 17 February 2020, 2 April 2020 and 29 May 2020, the long stop date in relation to the disposal is extended to 30 June 2020.

Accordingly, the YC Group, LBC, CB and LE are classified as discontinued operations of the Group.

The Company and its wholly owned subsidiary, Kin Xin Engineering Pte. Ltd. are classified as the continuing operations of the Group.

Please refer to the write up in Paragraph 8 below for more information on the Group.

1(a)(ii) Notes to the statement of comprehensive income

(Loss) for the financial year is stated after (charging) / crediting the following:

	FY2019 ⁽¹⁾	FY2018	Increase / (Decrease)
(S\$)	(Unaudited)	(Audited)	(%)
Other income	2,717,415	3,260,001	(16.6) ⁽²⁾
Depreciation	(1,356,903)	(2,476,018)	(60.6) ⁽³⁾
<i>Impairment losses on:</i>			
(i) Financial assets			
– Trade receivables	(820,350)	(1,934,811)	(57.6) ⁽⁴⁾
– Other receivables	–	(1,069,892)	(100.0) ⁽⁵⁾
(ii) Contract assets	(141,250)	(1,110,661)	(100.0) ⁽⁶⁾
(iii) Property, plant and equipment	–	(184,480)	(100.0) ⁽⁷⁾
(iv) Inventory	–	(105,525)	(100.0) ⁽⁸⁾
(v) discontinued operations	(10,900,290)	–	n.m. ⁽⁹⁾
Loss on disposal of property, plant and equipment	(492,750)	(139,379)	253.5 ⁽¹⁰⁾
Foreign exchange gain / (loss)	–	169,735	(100.0) ⁽¹¹⁾
Adjustments for over provision of tax in respect of prior years	–	(323,345)	(100.0) ⁽¹²⁾

Notes:

- (1) From continuing operations only.
- (2) Other income had decreased by S\$0.5 million or 16.6%, primarily due to the absence of the sales of scrap materials in the financial year ended 31 December (“FY”) 2019 compared to FY2018.
- (3) Depreciation of property, plant and equipment decreased by S\$1.1 million or 45.2%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (4) Impairment losses on financial assets – trade receivables, decreased by S\$1.1 million or 57.6%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (5) Impairment losses on financial assets – other receivables, decreased by S\$1.1 million or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (6) Impairment losses on contract assets, decreased by S\$1.0 million or 87.3%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (7) Impairment losses on property, plant and equipment, decreased by S\$0.2 million or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (8) Impairment losses on inventory, decreased by S\$0.1 million or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.
- (9) Impairment losses on discontinued operations, increased by S\$10.9 million primarily due to liquidation of LBC and CB and the reduction in carrying value of LE and the YC Group. Please refer to the notes on Page 3.
- (10) Loss on disposal of property, plant and equipment, increased by S\$0.4 million or 253.5% primarily due to the higher disposal rate of the Group’s property, plant and equipment to raise cash.
- (11) Foreign exchange differences decreased by S\$0.2 million or 100.0% primarily due to the deconsolidation of the discontinuing operations of the Group.
- (12) No adjustments were made for the over provision of tax in respect of prior years, leading to the decrease in the relevant line items.

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

Statement of financial position	Group	Group	Company	Company
	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2018
(\$)	Unaudited	Audited	Unaudited	Audited
Non-current assets				
Property, plant and equipment	28,009,424	36,853,502	–	143,068
Investment property	–	–	27,628,096	28,397,928
Investment in subsidiaries	–	–	8,050,997	30,136,771
Goodwill	–	10,540,502	–	–
Right-of-use assets	4,366,000	–	3,352,000	–
	<u>32,375,424</u>	<u>47,394,004</u>	<u>39,031,093</u>	<u>58,677,767</u>
Current assets				
Assets arising from discontinued operations / Asset held for sale	2,349,408	8,521,310	–	–
Contract assets	18,689,889	40,035,182	–	–
Inventories	97	6,133,395	–	–
Prepayments	248,442	801,666	28,000	47,835
Trade and other receivables	2,369,587	26,646,246	3,881	63,957
Income tax recoverable	–	10,801	–	–
Cash and bank balances	(874,493)	2,277,508	(5,595)	509,337
	<u>22,782,930</u>	<u>84,426,108</u>	<u>26,286</u>	<u>621,129</u>
TOTAL ASSETS	<u>55,158,354</u>	<u>131,820,112</u>	<u>39,057,379</u>	<u>59,298,896</u>
Current liabilities				
Liabilities arising from discontinued operations	21,320,186	–	–	–
Contract liabilities	–	18,173	–	–
Loans and borrowings	24,615,664	37,333,458	19,993,675	1,778,635
Trade and other payables	10,332,511	29,240,822	5,830,747	10,922,419
Other liabilities	3,003,822	7,618,759	1,526,764	443,572
Lease liabilities	4,366,000	–	3,352,000	–
Income tax payable	452,725	2,136,437	–	–
	<u>64,090,908</u>	<u>76,347,649</u>	<u>30,703,186</u>	<u>13,144,626</u>
Non-current liabilities				
Deferred tax liabilities	93,339	436,437	–	–
Loans and borrowings	–	18,541,094	–	17,625,634
	<u>93,339</u>	<u>18,977,531</u>	<u>–</u>	<u>17,625,634</u>
TOTAL LIABILITIES	<u>64,184,247</u>	<u>95,325,180</u>	<u>30,703,186</u>	<u>30,770,260</u>

Statement of financial position	Group	Group	Company	Company
	As at 31 Dec 2019	As at 31 Dec 2018	As at 31 Dec 2019	As at 31 Dec 2018
(\$)	Unaudited	Audited	Unaudited	Audited
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY				
Share capital	31,168,641	31,168,641	31,168,641	31,168,641
Treasury shares	(256,159)	(256,159)	(256,159)	(256,159)
Merger reserve	(7,441,589)	(7,441,589)	–	–
Foreign currency translation reserve	(171,450)	(171,450)	–	–
Premium on acquisition of non-controlling interests	(355,109)	(355,109)	–	–
Employees share awards reserve	–	–	–	–
Retained earnings	(31,970,227)	11,795,664	(22,495,164)	(2,383,846)
Equity attributable to owners of the Company	(9,025,893)	34,739,998	8,354,193	28,528,636
Non-controlling interests	–	1,754,934	–	–
TOTAL EQUITY	(9,025,893)	36,494,932	8,354,193	28,528,636
TOTAL EQUITY AND LIABILITIES	55,158,354	131,820,112	39,057,379	59,298,896

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

Borrowings and debt securities repayable in one year or less, or on demand			
As at 31 December 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
24,615,664	–	37,333,458	–

Borrowings and debt securities repayable after one year			
As at 31 December 2019 (Unaudited)		As at 31 December 2018 (Audited)	
Secured	Unsecured	Secured	Unsecured
–	–	18,541,094	–

Details of any collateral

Trust receipts	Trust receipts are secured by corporate guarantees issued by the Company.
Factoring loans	Factoring loans are secured by corporate guarantee issued by the Company and certain entities in the Group.
Obligations under finance leases	Obligations under finance leases are secured over the leased assets.
Term loans	<p>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 the Group's former director.</p> <p>The term loan relating to the leasehold land and building at 53 Loyang Drive, Singapore 508957 ("Property") is secured by:</p> <ul style="list-style-type: none">(i) corporate guarantees issued by certain entities in the Group;(ii) a first legal mortgage over 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 favour of the financial institution.

1(c) A statement of cash flow, for the Group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

(S\$)	FY2019 (Unaudited)	FY2018 (Audited)
Operating activities		
(Loss) before tax from:		
– continuing operations	(25,562,576)	(3,366,354)
– discontinued operations	(17,905,534)	–
Total (loss) before tax	(43,468,111)	(3,366,354)
<u>Adjustments for:</u>		
Depreciation	1,356,903	2,476,018
Provision of doubtful trade receivables	820,350	–
Impairment loss on goodwill	10,540,502	–
Loss on disposal of property, plant and equipment	492,750	139,379
Impairment of property, plant and equipment	–	184,480
Impairment losses on trade receivables and other receivables	–	2,998,703
Impairment losses on contract assets	141,250	1,110,661
Impairment losses from discontinued operations	10,900,290	–
Write-back of doubtful trade receivables	–	(65,805)
Inventories written off	–	105,525
Finance costs	1,466,810	1,927,817
Interest income	–	(1,591)
Translation difference	–	88,858
	25,718,855	8,964,045
Operating cash flows before changes in working capital	(17,749,256)	5,597,691
Changes in working capital:		
Contract assets	21,345,293	(11,253,300)
Inventories	6,133,298	(2,453,797)
Prepayments	553,224	336,628
Trade and other receivables	24,276,659	(8,903,972)
Contract liabilities	(18,173)	(335,744)
Trade and other payables	(18,908,311)	9,238,405
Other liabilities	(4,614,937)	2,073,674
Net liabilities arising from discontinued operations	18,770,778	–
Total changes in working capital	28,767,053	(11,298,106)

(S\$)	FY2019	FY2018
	(Unaudited)	(Audited)
Cash flows from operations	11,017,797	(5,700,415)
Interest paid	(1,466,810)	(1,927,817)
Interest received	–	1,591
Income tax paid, net	(59,055)	(159,179)
Net cash from / (used in) operations	9,491,932	(7,785,820)
 Investing activities		
Net cash inflow from acquisition of subsidiaries, net of cash	–	897,363
Purchase of property, plant, and equipment	(26,391)	(889,030)
Proceeds from disposal of property, plant and equipment	–	626,179
Net cash flows (used in) / from investing activities	(26,391)	634,512
 Financing activities		
Proceeds from loans and borrowings	1,414,841	20,738,360
Repayment of loans and borrowings	(7,225,800)	(22,056,664)
Repayment of lease liabilities	–	(195,769)
Net cash generated (used in) / from financing activities	(5,810,959)	(1,514,073)
 Net (decrease) / increase in cash and bank balances	3,654,582	(8,665,381)
Cash and cash equivalents at 1 January	(4,529,075)	4,136,306
(Bank overdrafts) as at 31 December	(874,493)	(4,529,075)

1(d)(i) A statement, for the Company and the 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 (S\$)	Treasury shares (S\$)	Foreign currency translation reserve (S\$)	Merger reserve (S\$)	Premium on acquisition of non-controlling interests (S\$)	Retained earnings (S\$)	Employee share awards reserve (S\$)	Total equity attributable to owners of the parent (S\$)	Non-controlling interests (S\$)	Total equity (S\$)
Group FY2019 (Unaudited)										
Opening balance at 1 January 2019	31,168,641	(256,159)	(171,450)	(7,441,589)	(355,109)	11,795,664	–	34,739,998	1,754,934	36,494,932
(Loss) for the year	–	–	–	–	–	(43,765,891)	–	(43,765,891)	–	(43,765,891)
<u>Other comprehensive income</u>	–	–	–	–	–	–	–	–	–	–
Foreign currency translation	–	–	–	–	–	–	–	–	–	–
Total comprehensive (loss) for the financial year	–	–	–	–	–	(43,765,891)	–	(43,765,891)	–	(43,765,891)
<u>Contributions by and distributions to owners</u>										
Elimination of non-controlling interests due deconsolidation of discontinued operations	–	–	–	–	–	–	–	–	(1,754,934)	(1,754,934)
Total transaction with owners in their capacity as owners	–	–	–	–	–	–	–	–	(1,754,934)	(1,754,934)
Balance at 31 December 2019	31,168,641	(256,159)	(171,450)	(7,441,589)	(355,109)	(31,970,227)	–	(9,025,893)	–	(9,025,893)

	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	Employee share awards reserve	Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)	(S\$)
Group FY2018 (Audited)										
Opening balance at 1 January 2018	18,765,516	(256,159)	(101,572)	(7,441,589)	(355,109)	15,649,206	135,466	26,395,759	–	26,395,759
Cumulative effects of adopting SFRS(I) Framework	–	–	–	–	–	(529,680)	–	(529,680)	–	(529,680)
Opening balance of 1 January 2018 (SFRS(I) Framework)	18,765,516	(256,159)	(101,572)	(7,441,589)	(355,109)	15,119,526	135,466	25,866,079	–	25,866,079
Loss for the year	–	–	–	–	–	(3,459,328)	–	(3,459,328)	(899,522)	(4,358,850)
<u>Other comprehensive income</u> Foreign currency translation	–	–	(69,878)	–	–	–	–	(69,878)	(10,718)	(80,596)
Total comprehensive income for the financial year	–	–	(69,878)	–	–	(3,459,328)	–	(3,529,206)	(910,240)	(4,439,446)
<u>Contributions by and distributions to owners</u>										
Issuance of new ordinary shares pursuant to acquisition of subsidiaries	12,403,125	–	–	–	–	–	–	12,403,125	–	12,403,125
Non-controlling interest arising from acquisition of subsidiaries	–	–	–	–	–	–	–	–	2,665,174	2,665,174
Expiry of equity-settled share option granted to employees	–	–	–	–	–	135,466	(135,466)	–	–	–
Total transaction with owners in their capacity as owners	12,403,125	–	–	–	–	135,466	(135,466)	12,403,125	2,665,174	15,068,299
Balance at 31 December 2018	31,168,641	(256,159)	(171,450)	(7,441,589)	(355,109)	11,795,664	–	34,739,998	1,754,934	36,494,932

	Share capital (S\$)	Treasury shares (S\$)	Retained earnings (S\$)	Employee share awards reserve (S\$)	Total equity (S\$)
Company FY2019 (Unaudited)					
Opening balance at 1 January 2019	31,168,641	(256,159)	(2,383,846)	–	28,528,636
(Loss) for the year, representing total comprehensive income for the year	–	–	(20,111,318)	–	(20,111,318)
Total transaction with owners in their capacity as owners	–	–	–	–	–
Balance at 31 December 2019	31,168,641	(256,159)	(22,495,164)	–	8,417,318
Company FY2018 (Audited)					
Opening balance of 1 January 2018 (SFRS(I) Framework)	18,765,516	(256,159)	(635,119)	135,466	18,009,704
(Loss) for the year, representing total comprehensive income for the year	–	–	(1,884,193)	–	(1,884,193)
<u>Contributions by and distributions to owners</u>					
Issuance of new ordinary shares pursuant to acquisition of subsidiaries	12,403,125	–	–	–	12,403,125
Expiry of equity-settled share option granted to employees	–	–	135,466	(135,466)	–
Total transaction with owners in their capacity as owners	12,403,125	–	135,466	(135,466)	12,403,125
Balance at 31 December 2018	31,168,641	(256,159)	(2,383,846)	–	28,528,636

1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Issued share capital	FY2019		FY2018	
	(Unaudited)		(Audited)	
	No. of Shares	S\$	No. of Shares	S\$
At beginning of financial year	215,062,098	31,168,641	121,312,098	18,765,516
Issuance of shares as consideration for the acquisition of YC	–	–	93,750,000	12,403,125
At end of financial year	215,062,098	31,168,641	215,062,098	31,168,641

The Company had on 28 March 2018 issued and allotted 93,750,000 new ordinary shares in the capital of the Company as consideration for the acquisition of 51.0% of the issued and paid-up shares in YC Capital Consolidated Sdn. Bhd..

The number of treasury shares as at 31 December 2019 remained unchanged at 1,769,900 (31 December 2018: 1,769,900).

There are no outstanding convertibles or subsidiary holdings as at 31 December 2019 and as at 31 December 2018.

1(d)(iii) To show the total 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 financial year.

	31 Dec 2019	31 Dec 2018
	(Unaudited)	(Audited)
Total number of issued shares	215,062,098	215,062,098
Total number of treasury shares	(1,769,900)	(1,769,900)
Total number of issued shares (excluding treasury shares)	213,292,198	213,292,198

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

There were no sales, transfers, disposals, cancellation and/or use of treasury shares during the financial year ended 31 December 2019.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

The Company did not have any subsidiary holdings as at 31 December 2019.

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 modifications or emphasis of a matter).

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

In the latest audited financial statements of the Group for the year ended 31 December 2018, the auditors had issued a disclaimer of opinion on the financial statements of the Group.

The basis for the disclaimer of opinion relates to: (i) the accounting treatment in relation to the acquisition and consolidation of YC Capital Consolidated Sdn. Bhd. and its subsidiaries ("**YC Group**"); and (ii) the accounting treatment for certain financing transactions.

(i) YC Group

The Board of Directors ("**Board**") refers to the Company's announcement dated 15 May 2019, in which the then Board and the then Management had provided its response to the disclaimer of opinion.

Since then, due to the difficult economic macro environment as well as the difficulties faced by the Group as elaborated in Paragraph 8 below, the YC Group had ceased operations. The Board also refers to the Company's announcement dated 2 January 2020, 17 February 2020, 2 April 2020 and 29 May 2020 with regards to the proposed disposal of LE, the parent company of the YC Group. If the proposed disposal proceeds to fruition, the YC Group will no longer be part of the Group. The YC Group has also been classified as the Group's discontinued operations for the purposes of this announcement.

(ii) Financing transactions

The management of the Group ("**Management**") confirms that no further financing transactions were carried out in FY2019.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

Following from Paragraph (a) above, the Board confirms that the impact of all outstanding audit issues on the previous financial statements have been adequately disclosed.

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

Except as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 31 December 2018.

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 Singapore Financial Reporting Standards (International) (“**SFRS(I)**”) 16 Leases on 1 January 2019, using the modified retrospective approach. SFRS(I) 16 introduces a single, on-balance sheet lease accounting model. The rationale of the change is to better reflect the economic substance of lease transactions. It requires a lessee to recognise a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Group has not restated comparatives for the 2018 reporting period as permitted under the specific transition provisions in SFRS(I) 16. The Group recognised lease liabilities in relation to leases which had previously been classified as “operating leases” under the principles of FRS17 Leases.

Leases are recognised as a right-of-use (“**ROU**”) asset and corresponding liability at the date of which the leased asset is available for use by the Group. These lease liabilities are measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate as at 1 January 2019.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The ROU asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In applying SFRS(I) 16 for the first time, the Group has used certain practical expedients permitted by the standard.

On the adoption of SFRS(I) 16, the Group and the Company recognised ROU assets of S\$4.65 million and S\$3.45 million respectively and lease liabilities of S\$4.65 million and S\$3.45 million respectively, for the leases previously classified as operating leases. A depreciation expense on ROU assets of S\$0.28 million and finance cost of S\$0.06 million are charged to profit or loss of the Group for the period ended 31 December 2019.

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:

- (a) based on the weighted average number of ordinary shares on issue; and
 (b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	FY 2019 (Unaudited)	FY 2018 (Audited)
(Loss) attributable to owners of the Company (S\$)	(43,241,497)	(3,459,328)
Weighted average number of ordinary shares in issue (excluding treasury shares)	213,292,198	190,689,458
Basic and diluted (loss) per ordinary share ("EPS") (Singapore cents)	(20.27)	(1.81)

The basic and diluted EPS are the same as the Company and the Group did not have any potentially dilutive instruments that are convertible into ordinary shares of the Company nor any share options outstanding.

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 2019 (Unaudited)	31 Dec 2018 (Audited)	31 Dec 2019 (Unaudited)	31 Dec 2018 (Audited)
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (S\$ cents)	n.m.	16.29	3.92	13.38
Weighted average number of ordinary shares in issue (excluding treasury shares)	213,292,198	213,292,198	213,292,198	213,292,198

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.**

Recent salient developments in the Group

On 23 August 2019, the Company requested for a trading halt. On 27 August 2019, the Company announced that the Group had received various writs of summons, demand letters, adjudication orders against the Group. As a result of which, the Group was not able to demonstrate that it was able to continue as a going concern in accordance with Rule 1303(3) of the Catalist Rules. On 28 August 2019, the Company requested for a suspension in the trading of its shares on the Catalist Board of the SGX-ST.

On 17 September 2019, the Company and all its wholly-owned Singapore subsidiaries in the Group save for Kin Xin Engineering Pte Ltd ("**Kin Xin**") have made an application to the High Court of Singapore under Section 211B and Section 211C of the Companies Act for an order to restrain, among others, the commencement or continuation of any proceedings against the relevant entity, except with the leave of the High Court of Singapore and subject to such terms as the High Court of Singapore imposes ("**Court Protection**").

On 24 September 2019, the Company's wholly-owned Singapore subsidiary, Kin Xin, has made an application to the High Court of Singapore under Section 211C of the Companies Act for a similar Court Protection.

On 14 October 2019, the High Court of Singapore granted the orders sought by the Company and its wholly-owned Singapore subsidiaries on the Court Protections.

The Group is currently undergoing a restructuring phase and is in the process of rationalising its operations.

As mentioned in Paragraph 1 above, on 28 November 2019, the Company announced the voluntary winding up of LBC and on 30 December 2019, the Group announced the voluntary winding up of CB.

On 2 January 2020, the Company announced that it has entered into a legally-binding memorandum of understanding with the Buyer for the disposal of LE. The Company is currently still in discussions with the Buyer on the sale. With reference to the Company's announcements on 17 February 2020, 2 April 2020 and 29 May 2020, the long stop date in relation to the disposal is extended to 30 June 2020.

On 31 March 2020, the Company has made an application to the High Court of Singapore for an extension of the existing moratoria which was due to expire on 14 April 2020. On 14 April 2020, the High Court of Singapore has extended the moratoria to 30 July 2020.

Accordingly, the YC Group, LBC, CB and LE are classified as discontinued operations of the Group.

The Company and its wholly owned subsidiary, Kin Xin Engineering Pte. Ltd. are classified as the continuing operations of the Group.

Review of the Group's statement of comprehensive income for FY2019 vs FY2018

Continuing operations

In light of the developments in the Group and with the liquidations and pending disposal of the YC Group, LBC, CB and LE, we have evaluated the performance of the Group based on its continuing operations.

FY2019 vs FY2018

Revenue of the Group decreased by S\$67.1 million or 64.3% from S\$104.3 million in FY2018 to S\$37.2 million in FY2019 mainly due to the de-consolidation of the Group's discontinued operations. Kin Xin is the key revenue driver of the Group for FY2019.

The Group reported a gross loss of S\$6.3 million for FY2019 compared to a gross profit of S\$14.0 million, as more subcontractors were utilised. This resulted in the Group having a higher cost of goods sold than revenue, resulting in the gross loss.

The Group's other income decreased by S\$0.5 million or 16.6% from S\$3.3 million in FY2018 to S\$2.7 million in FY2019. This was mainly due to the absence of the sales of scrap materials in FY2019 compared to FY2018.

Administrative expenses which comprise of staff salary, professional fees, depreciation and other operating expenses and impairment losses, increased by S\$6.6 million or 16.6% from S\$14.6 million in FY2018 to S\$21.3 million in FY2019, mainly due to the impairment losses on discontinued operations.

Finance costs decreased to S\$0.9 million in FY2019

As a result of the above, the Company booked a net loss of S\$25.9 million from continuing operations.

Review of the Group's statement of financial position for FY2019 vs FY2018

Property, plant and equipment

Property, plant and equipment decreased by S\$8,844,078 or 24.0%, primarily due to the higher disposal rate of the Group's property, plant and equipment to raise cash.

Goodwill

Goodwill decreased by S\$10,540,502 or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Right-of-use assets / Lease liabilities

The Group had adopted SFRS(I) 16 Leases for the first time and as a result, it had recognised right-of-use assets and lease liabilities relating to present value of future operating lease payments for the duration of the operating leases. Please refer to paragraph 5 for the impact due to this adoption.

Assets arising from discontinued operations / Assets held for sale

Assets arising from discontinued operations/Assets held for sale decreased by S\$6,171,902 or 72.4%, primarily due to liquidation of LBC and CB and the reduction in carrying value of LE and YC Group. Please refer to Paragraph 3.

Contract assets

Contract assets decreased by S\$21.3 million or 53.3%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Inventories

Inventories decreased by S\$6.1 million or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Trade and other receivables

Trade and other receivables decreased by S\$24.3 million or 91.1%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Income tax recoverable

Income tax recoverable decreased by S\$10,801 as no adjustments were made for the over provision of tax in respect of the prior years.

Liabilities arising from discontinued operations

Liabilities arising from discontinued operations increased by S\$21.3 million primarily due to the deconsolidation of the discontinuing operations of the Group as well as liabilities arising from the corporate guarantees extended by the Company and/or Kin Xin to the discontinuing operations of the Group.

Contract Liabilities

Contract liabilities decreased by S\$18,173 primarily due to the deconsolidation of the discontinuing operations of the Group.

Loans and borrowings (Current liabilities)

Loans and borrowings decreased by S\$12.7 million or 34.1%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Trade and other payables

Trade and other payables decreased by S\$18.9 million or 64.7%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Other liabilities

Other liabilities decreased by S\$4.6 million or 60.6%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Income tax payable

Income tax payable decreased by S\$1.7 million or 78.8%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Deferred tax liabilities

Deferred tax liabilities decreased by S\$0.3 million or 78.6%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Loans and borrowings (Non-current liabilities)

Loans and borrowings decreased by S\$18.5 million or 100.0%, primarily due to the deconsolidation of the discontinuing operations of the Group.

Working capital

The working capital of the Group deteriorated significantly from a positive working capital position of S\$8.1 million to a negative working capital position of S\$(41.3) million as the current assets of the Group reduced substantially by S\$61.6 million or 73.0% while current liabilities only reduced by S\$12.3 million or 16.1%, primarily due to the liabilities arising from the discontinued operations.

Review of the Group's statement of cash flow for FY2019 vs FY2018

Cash from operating activities

The net cash inflow from operations increased primarily due to the deconsolidation of the discontinuing operations of the Group and the reduction in carrying value of LE and the YC Group. Please refer to Paragraph 3.

Cash from investing activities

The net cash outflow from investing activities increased primarily due to primarily due to the deconsolidation of the discontinuing operations of the Group.

Cash from financing activities

The net cash outflow from financing activities increased primarily due to the deconsolidation of the discontinuing operations of the Group.

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

As explained in Paragraph 8 above, the Group is currently undergoing a restructuring phase and is in the process of rationalising its operations. This is in line with the commentary provided in the results announcement released in relation to HY2019.

10. A commentary at the date of the announcement of the significant trends and 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.

On 11 March 2020, the World Health Organisation declared the Coronavirus (“COVID-19”) outbreak to be a pandemic in recognition of its rapid spread across the globe, with over 150 countries affected.

Many governments are taking increasingly stringent steps to help contain or delay the spread of COVID-19. Currently, there is a significant increase in economic uncertainty which is, for example, evidenced by border closures of most, if not all countries globally, physical movement restrictions within countries, more volatile asset prices and currency exchange rates.

COVID-19 Circuit Breaker in Singapore

In light of the nationwide circuit breaker measures announced in Singapore on 3 April 2020 and taking effect on 7 April 2020, the Group’s employees have been working from home. In addition, the construction industry was also severely impacted with most construction work deemed as non-essential services. The Group’s work sites have also been forced to cease work since 7 April 2020 and work remains ceased as at the date of this announcement. Most foreign labour employed by the Group resided in dormitories, which have been locked down since 7 April 2020 and continue to be locked down as at the date of this announcement.

As the effects of the COVID-19 pandemic continue to unfold in the months ahead, there could be further economic uncertainty and impact on the Group in the coming months ahead. The Group is thankful for the support provided by the Singapore Government, such as the Jobs Support Scheme, and the waiver of foreign worker levies, in partially alleviating the effects of the COVID-19 pandemic on the Group.

Moratoria

As above, the Group is currently under Court Protection, with the moratoria in force up till 30 July 2020. The Group is working with its professional advisers to formulate a scheme which is acceptable to the Court and all its stakeholders.

- 11. If a decision regarding dividend has been made:**
- (a) Whether an interim (final) ordinary dividend has been declared (recommended); and**
 - (b) Amount:**
 - (i) Amount per share cents**
 - (ii) Previous corresponding period cents**
 - (c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
 - (d) The date the dividend is payable.**
 - (e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

No dividend declared for FY2019. No dividend was declared in the previous corresponding period as well.

- 12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

The Group reported a net loss for FY2019 and is in the midst of a restructuring exercise, thus no dividend has been declared or recommended for FY2019.

- 13. If the group has obtained a general mandate from shareholders for 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 from shareholders for any interested person transactions. Save as disclosed on the results announcement in relation to HY2019 and based on the declarations made by the current Directors, there were no interested person transactions of S\$100,000 or more that were entered into by the Group in FY2019.

- 14. Confirmation by the Board pursuant to Rule 720(1) of the Listing Manual (Section B: Rules of Catalist)**

The Group confirms that it had procured undertakings from all its Directors and Executive Officers in the required format.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. **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.**

Based on the Group's continuing operations, through Kin Xin, the Group's only operating business is in the mechanical and electrical segment. The rest of the segments have either been liquidated or is pending disposal.

Similarly, the Group's only geographical presence is only in Singapore. As above, the Group's businesses in Malaysia has ceased and subsidiaries in Malaysia are either liquidated or pending disposal.

16. **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 Paragraphs 8, 9 and 10.

17. **A breakdown of sales as follows:**

(S\$'000)	FY2019 (Unaudited)	FY2018 ⁽¹⁾ (Unaudited)	Increase / (Decrease) (%)
(a) Sales reported for first half year	45,044	55,553	(18.9)
(b) Operating profit/loss after tax before deducting non-controlling interests reported for first half year	(11,526)	484	n.m.
(c) Sales reported for second half year	n.m. ⁽²⁾	53,574	n.m.
(d) Operating profit/loss after tax before deducting non-controlling interests reported for second half year	(14,328)	(2,334)	513.9

Note:

- (1) As extracted from the unaudited full year results announcement for FY2018.
- (2) Not meaningful as the revenues earned for the entire year for continuing operations is lesser than the sales reported for the first half year for FY2019. This arises as an increasing number of Group entities were classified as discontinued operations compared to the first half of FY2019.

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

No dividend declared for FY2019. No dividend was declared in the previous corresponding period as well.

- 19. 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.**

Mr Chu Sau Ben, who is a substantial shareholder of the Company, is currently employed within the Group. Mr Chu Sau Ben's brother, Mr Chu Siow Leong, remains a director of LE, part of the discontinued operations to be disposed.

Save for the above, as at the date of this announcement, there are no persons occupying a managerial position in the Group, being the Company or its principal subsidiary, Kin Xin, who is a relative of a Director or substantial shareholder of the Company.

By Order of the Board
LIBRA GROUP LIMITED

Christine Liu Yang
Chief Executive Officer and Executive Director

14 June 2020