



# **MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS**

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The Board of Directors (the "Board") of Jubilee Industries Holdings Ltd. (the "Company") and together with its subsidiary corporations (the "Group") refers to the unaudited full year results announcement for the financial year ended 31 March 2017 ("FY2017") ("Unaudited FY2017 Results") released on 30 May 2017.

Pursuant to Rule 704(6) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Board wishes to highlight that there were certain material differences between the audited financial statements for FY2017 and the Unaudited FY2017 Results following the finalisation of the audit. Details and clarifications of the differences are set out as follows:

## **Consolidated Statement of Comprehensive Income**

	<b>Group</b>			
	<b>For the 12 months ended</b>			
	<b>31-Mar-17 S\$'000</b>	<b>31-Mar-17 S\$'000</b>	<b>Difference S\$'000</b>	<b>Please refer to Note</b>
	<b>(audited)</b>	<b>(unaudited)</b>		
<b>Revenue</b>	108,758	108,758	-	na
Cost of sales	(105,044)	(105,044)	-	na
<b>Gross profit</b>	3,714	3,714	-	na
Other income	433	420	13	1
Other losses - net	(1,448)	(479)	(969)	2
<b>Expenses:</b>				
Distribution and marketing expenses	(1,294)	(1,379)	85	3a
Administrative expenses	(9,378)	(7,851)	(1,527)	3b
Finance expenses	(383)	(719)	336	4
Share of profit of associated company	874	907	(33)	5
<b>Loss before income tax</b>	(7,482)	(5,387)	(2,095)	
Income tax expense	*	(5)	5	nm
<b>Net loss attributable to equity holders of the Company</b>	(7,482)	(5,392)	(2,090)	
<b>Other comprehensive income, net of tax:</b>				
Share of other comprehensive income of associated company	568	421	147	5
Currency translation differences	287	111	176	6
<b>Total comprehensive loss attributable to equity holders of the Company</b>	(6,627)	(4,860)	(1,767)	

\*Amount less than S\$1,000

na: not applicable

nm: not material



**Statement of Financial Position**

	Group			
	31-Mar-17 S\$'000 (audited)	31-Mar-17 S\$'000 (unaudited)	Difference S\$'000	Please refer to Note
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	11,333	11,333	-	na
Financial assets, at fair value through profit or loss	33	33	-	na
Trade and other receivables	22,400	21,297	1,103	7
Inventories	14,625	14,321	304	8
Other current assets	633	1,731	(1,098)	7
	49,024	48,715	309	
Non-current assets classified as held-for sale	7,300	7,300	-	na
	<b>56,324</b>	<b>56,015</b>	309	
<b>Non-current assets</b>				
Investment in associated company	8,477	9,175	(698)	5
Property, plant and equipment	1,589	2,222	(633)	9
Intangible assets	3,257	3,256	1	nm
	<b>13,323</b>	<b>14,653</b>	(1,330)	
<b>Total Assets</b>	<b>69,647</b>	<b>70,668</b>	(1,021)	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	34,055	33,501	554	8, 10(ii)
Current income tax liabilities	18	10	8	nm
Borrowings	10,664	4	10,660	10
Provision	713	-	713	11
	<b>45,450</b>	<b>33,515</b>	11,935	
<b>Non-current liabilities</b>				
Borrowings	11,363	22,713	(11,350)	10
<b>Total liabilities</b>	<b>56,813</b>	<b>56,228</b>	585	
<b>Net Assets</b>	<b>12,834</b>	<b>14,440</b>	(1,606)	
<b>EQUITY</b>				
<b>Capital and Reserves attributable to equity holders of the Company</b>				
Share capital	48,975	48,975	-	na
Treasury shares	(736)	(736)	-	na
Accumulated losses	(39,152)	(37,062)	(2,090)	na
Statutory reserves	2,257	2,257	-	na
Capital reserves	(142)	(142)	-	na
Other reserves	1,632	1,148	484	na
<b>Total equity</b>	<b>12,834</b>	<b>14,440</b>	(1,606)	

na: not applicable  
nm: not material



**Statement of Financial Position**

	Company			
	31-Mar-17 S\$'000 (audited)	31-Mar-17 S\$'000 (unaudited)	Difference S\$'000	Please refer to Note
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	9	9	-	na
Trade and other receivables	22,154	22,172	(18)	12
Other current assets	21	21	-	na
	<b>22,184</b>	<b>22,202</b>	(18)	
<b>Non-current assets</b>				
Investment in subsidiary corporations	17,461	17,461	-	
Investment in associated company	9,722	9,722	-	na
Intangible assets	84	84	-	na
	<b>27,267</b>	<b>27,267</b>	-	
<b>Total Assets</b>	<b>49,451</b>	<b>49,469</b>	(18)	
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade and other payables	14,736	14,395	341	10(ii)
Borrowings	10,660	-	10,660	10
	<b>25,396</b>	<b>14,395</b>	11,001	
<b>Non-current liabilities</b>				
Borrowings	11,363	22,713	(11,350)	10
<b>Total liabilities</b>	<b>36,759</b>	<b>37,108</b>	(349)	
<b>Net Assets</b>	<b>12,692</b>	<b>12,361</b>	331	
<b>EQUITY</b>				
<b>Capital and Reserves attributable to equity holders of the Company</b>				
Share capital	48,975	48,975	-	na
Treasury shares	(736)	(736)	-	na
Accumulated losses	(35,566)	(35,736)	170	na
Capital reserves	(142)	(142)	-	na
Other reserves	161	-	161	na
<b>Total equity</b>	<b>12,692</b>	<b>12,361</b>	331	

na: not applicable  
nm: not material



**Notes:**

- 1) The increase in other income was due to interest income initially classified as Other losses - net.
- 2) The increase in other losses was due to an adjustment for foreign exchange from intercompany loans not taken up and reclassification of interest income.
- 3a) The differences in Distribution and marketing expenses was due to reclassification of staff cost from Distribution and marketing expenses to Administration expenses amounting to S\$0.1 million.
- 3b) The differences in Administrative expenses was a result of the following which were not taken up in the Unaudited FY2017 Results:
  - (i) Impairment made on property, plant and equipment of S\$0.6 million;
  - (ii) Provision for restructuring costs of S\$0.7 million;
  - (iii) Reclassification of normal operational banking charges from Finance expenses to Administration expenses of S\$0.1 million.
- 4) The decrease in Finance expenses was due to a decrease in the interest calculated for the Direct Loan Agreement between the Company and Accrelist Ltd. of S\$0.2 million from S\$0.4 million to S\$0.2 million, and S\$0.1 million as disclosed above in Note 3b(iii).
- 5) The variance was due to adjustment for share of profit and other comprehensive income, based on its audited financial statements.
- 6) The increase in Currency translation differences resulted from additional expenses incurred by one subsidiary corporation with a different functional currency.
- 7) There was a reclassification of S\$ 1.1 million from Other current assets to Trade and other receivables.
- 8) The increase in inventories of S\$0.3 million was due to recognition of inventories in transit that was initially classified as Trade and other payables.
- 9) The decrease in Property, plant and equipment was a result of an impairment of S\$0.6 million recognised following the completion of impairment assessment.
- 10) Convertible loan of S\$10.7 million has been reclassified to current liabilities in the audited financial statements. The decrease in total borrowings of S\$0.7 million is due to:
  - (i) A reversal of interest over-provision of S\$0.2 million;
  - (ii) A reclassification of S\$0.3 million to Other payables was due to a revision in the exchange rate used in the translation of the convertible loan; and
  - (iii) A reclassification of S\$0.2 million to Equity reserve on completion of a fair value assessment of the convertible loan as per Note 24 in the audited financial statements.
- 11) The S\$0.7 million increase in Provision was due to provisions made for restructuring cost for a subsidiary corporation in the People's Republic of China.
- 12) Expenses incurred on behalf of a subsidiary corporation was not re-charged in the Unaudited FY2017 Results. This was taken up in the audited financial statements, resulting in an increase in the amount of Trade and other receivables.

**BY ORDER OF THE BOARD**

Terence Tea Yeok Kian  
Non-Executive Chairman

7 July 2017