



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2020

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "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 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF HALF-YEAR RESULTS

1(a)(i) An income statement and statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	For the six-month period		
	1 Apr 2020 to 30 Sep 2020	1 Apr 2019 to 30 Sep 2019	Increase / (Decrease)
	S\$'000	S\$'000	
	(Unaudited)	(Unaudited)	
Revenue	57,585	78,081	-26.2%
Cost of sales	(53,838)	(74,002)	-27.2%
Gross profit	3,747	4,079	-8.1%
Other income	736	246	199.2%
Other losses, net	(82)	(818)	-90.0%
Expenses:			
Distribution and marketing	(115)	(543)	-78.8%
Administration	(3,287)	(4,047)	-18.8%
Finance	(394)	(552)	-28.6%
Share of loss of associated company	(393)	160	-345.6%
Profit/(loss) before income tax	212	(1,475)	-114.4%
Income tax expense	(67)	(68)	-1.5%
Net profit/(loss)	145	(1,543)	-109.4%
Other comprehensive (loss)/income:			
Share of comprehensive loss of associated company	(154)	138	-211.6%
Currency translation differences	(27)	699	-103.9%
Fair value gain on financial assets, at FVOCI	-	106	-100.0%
Other comprehensive (loss)/income, net of tax:	(181)	943	nm
Total comprehensive loss	(36)	(600)	nm
Net profit/(loss) attributable to:			
Equity holders of the Company	205	(1,422)	nm
Non-controlling interests	(60)	(121)	-50.4%
	145	(1,543)	nm
Total comprehensive income/(loss) attributable to :			
Equity holders of the Company	24	(479)	nm
Non-controlling interests	(60)	(121)	-50.4%
	(36)	(600)	nm
EBITDA	1,225	(240)	-610.4%

nm: Not meaningful



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

1(a)(ii) Notes to the Income Statement

The Group's profit/(loss) before income tax is arrived at after charging/(crediting):

	Group		
	For the six-month period		
	1 Apr 2020 to 30 Sep 2020	1 Apr 2019 to 30 Sep 2019	Increase / (Decrease)
	S\$'000	S\$'000	
	(Unaudited)	(Unaudited)	
Depreciation of property, plant and equipment	424	480	-11.7%
Amortisation of intangible assets	195	203	-3.9%
Gain on disposal of property, plant and equipment	(36)	(8)	nm
Waiver of non-trade payables	(57)	(27)	111.1%
Foreign exchange loss	118	818	-85.6%
Interest income	(12)	(3)	300.0%
Dividend received	(4)	(6)	-33.3%
Sale of scrap and other materials	-	(79)	-100.0%
Government grants	(356)	(6)	5833.3%
Miscellaneous income	(307)	(95)	223.2%
Rental income	-	(23)	-100.0%
Bad debts written off	15	-	nm
Interest on borrowings	394	552	-28.6%

nm: Not meaningful



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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 period.

	Group			Company		
	30 Sep 2020 S\$'000 (Unaudited)	31 Mar 2020 S\$'000 (Audited)	Increase / (Decrease)	30 Sep 2020 S\$'000 (Unaudited)	31 Mar 2020 S\$'000 (Audited)	Increase / (Decrease)
ASSETS						
Current assets						
Cash and cash equivalents	4,105	8,372	-51.0%	60	34	76.5%
Financial assets, at FVPL	33	33	0.0%	-	-	nm
Financial assets, at FVOCI	482	482	0.0%	482	482	0.0%
Trade and other receivables	30,404	29,489	3.1%	18,186	18,403	-1.2%
Inventories	10,830	9,082	19.2%	-	-	nm
Other current assets	8,663	8,015	8.1%	13	11	18.2%
	54,517	55,473	-1.7%	18,741	18,930	-1.0%
Non-current assets						
Financial assets, at FVOCI	47	47	0.0%	47	47	0.0%
Investment in subsidiary corporations	-	-	nm	38,056	24,456	55.6%
Investment in associated company	10,769	11,316	-4.8%	10,934	10,934	0.0%
Property, plant and equipment	7,237	7,467	-3.1%	1	1	0.0%
Intangible assets	1,574	1,769	-11.0%	-	-	nm
	19,627	20,599	-4.7%	49,038	35,438	38.4%
Total Assets	74,144	76,072	-2.5%	67,779	54,368	24.7%
LIABILITIES						
Current liabilities						
Trade and other payables	21,959	22,635	-3.0%	13,903	14,171	-1.9%
Current income tax liabilities	482	477	1.0%	-	-	nm
Borrowings	11,904	13,055	-8.8%	1,446	1,446	0.0%
	34,345	36,167	-5.0%	15,349	15,617	-1.7%
Non-current liabilities						
Borrowings	2,169	2,239	-3.1%	2,000	2,000	0.0%
Deferred income tax liabilities	96	96	0.0%	-	-	nm
Total liabilities	36,610	38,502	-4.9%	17,349	17,617	-1.5%
Net Assets	37,534	37,570	-0.1%	50,430	36,751	37.2%
EQUITY						
Capital and Reserves attributable to equity holders of the Company						
Share capital	74,429	74,429	0.0%	74,429	74,429	0.0%
Treasury shares	(736)	(736)	0.0%	(736)	(736)	0.0%
Statutory reserve	2,257	2,257	0.0%	-	-	nm
Capital reserve	(142)	(142)	0.0%	(142)	(142)	0.0%
Other reserves	(72)	109	nm	(1,547)	(1,547)	0.0%
Accumulated losses	(39,433)	(39,638)	-0.5%	(21,574)	(35,253)	-38.8%
	36,303	36,279	0.1%	50,430	36,751	37.2%
Non-controlling interests	1,231	1,291	-4.6%	-	-	nm
Total equity	37,534	37,570	-0.1%	50,430	36,751	37.2%

nm: Not meaningful



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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

Amount repayable in one year or less, or on demand

As at 30 Sep 2020 (Unaudited)		As at 31 Mar 2020 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
11,404	500	9,982	3,073

Amount repayable after one year

As at 30 Sep 2020 (Unaudited)		As at 31 Mar 2020 (Audited)	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
169	2,000	239	2,000

Details of any collateral

- 1) Bank overdrafts of the Group are secured by the immediate and ultimate holding corporation's bank deposits, certain bank deposits of the Group, personal guarantee by the directors of the subsidiary corporations, debenture of the subsidiary corporations and certain leasehold properties of the Group.
- 2) Bank borrowings of the Group and of the Company are secured by the investment in an associated company, certain bank deposits of the Group, and also secured by the corporate guarantee of the immediate and ultimate holding corporation.
- 3) Lease liabilities of the Group are effectively secured over the leased motor vehicles as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the lease liabilities. The lease liabilities are also secured by the corporate guarantee of the Company.



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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

	Group	
	For the six-month period	
	1 Apr 2020 to 30 Sep 2020	1 Apr 2019 to 30 Sep 2019
	S\$'000	S\$'000
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net profit/(loss)	145	(1,543)
Adjustments for:		
- Income tax expense	67	5
- Amortisation of intangible assets	195	203
- Depreciation of property, plant and equipment	424	480
- Gain on disposal of property, plant and equipment	(36)	-
- Share of profit of associated company	393	(22)
- Dividend income	(4)	(6)
- Interest income - bank deposits	(12)	(3)
- Interest expense	394	552
- Unrealised currency translation losses	(5)	398
	<u>1,561</u>	<u>64</u>
Changes in working capital:		
- Trade and other receivables	(915)	(4,877)
- Inventories	(1,748)	4,432
- Other current assets	(648)	(384)
- Trade and other payables	(676)	1,150
Cash generated from operations	<u>(2,426)</u>	<u>385</u>
- Income tax paid	(67)	-
Net cash (used in)/generated from operating activities	<u>(2,493)</u>	<u>385</u>
Cash flows from investing activities		
Additions to property, plant and equipment	(188)	(171)
Disposal of financial assets, at FVOCI	-	106
Disposal of property, plant and equipment	37	-
Dividend received	4	6
Interest received	12	3
Net cash used in investing activities	<u>(135)</u>	<u>(56)</u>
Cash flows from financing activities		
Repayment of bank borrowings	(1,239)	(2,885)
Interest paid	(394)	(552)
Withdrawal of short-term bank deposits	(137)	-
Net cash used in financing activities	<u>(1,770)</u>	<u>(3,437)</u>
Net decrease in cash and cash equivalents	(4,398)	(3,108)
Cash and cash equivalents at beginning of financial period	6,167	4,376
Effects of currency translation on cash and cash equivalents	-	(5)
Cash and cash equivalents at end of financial period	<u>1,769</u>	<u>1,263</u>
Cash and cash equivalents comprised:		
Cash and bank balances	1,769	1,263
Bank overdraft	1,223	2,184
Short term bank deposits	1,113	972
	<u>4,105</u>	<u>4,419</u>
Less: Short term bank deposits pledged as collateral	(1,113)	(972)
Less: Bank overdraft	(1,223)	(2,184)
	<u>1,769</u>	<u>1,263</u>



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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 comparative statement for the corresponding period of the immediately preceding financial period.

Group (Unaudited)	Attributable to Equity Holders of the Group							Non- controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Warrants reserve S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Treasury share S\$'000		
Balance as at 1 April 2020	74,429	(39,638)	109	-	2,257	(142)	(736)	1,291	37,570
Total comprehensive income/(loss) for the financial period	-	205	(181)	-	-	-	-	(60)	(36)
Balance as at 30 September 2020	<u>74,429</u>	<u>(39,433)</u>	<u>(72)</u>	<u>-</u>	<u>2,257</u>	<u>(142)</u>	<u>(736)</u>	<u>1,231</u>	<u>37,534</u>

(Unaudited)	Attributable to Equity Holders of the Group							Non- controlling interests S\$'000	Total S\$'000
	Share capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Warrants reserve S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Treasury share S\$'000		
Balance as at 1 April 2019	73,279	(35,621)	577	1,150	2,257	(142)	(736)	1,120	41,884
Total comprehensive (loss)/income for the financial period	-	(1,422)	943	-	-	-	-	(283)	(762)
Balance as at 30 September 2019	<u>73,279</u>	<u>(37,043)</u>	<u>1,520</u>	<u>1,150</u>	<u>2,257</u>	<u>(142)</u>	<u>(736)</u>	<u>837</u>	<u>41,122</u>

Company (Unaudited)	Share Capital S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Treasury share S\$'000	Total S\$'000
	Balance as at 1 April 2020	74,429	(35,253)	(1,547)	-	(142)	(736)
Total comprehensive income for the financial period	-	13,679	-	-	-	-	13,679
Balance as at 30 September 2020	<u>74,429</u>	<u>(21,574)</u>	<u>(1,547)</u>	<u>-</u>	<u>(142)</u>	<u>(736)</u>	<u>50,430</u>

(Unaudited)	Share Capital S\$'000	Accumulated Losses S\$'000	Other reserves S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Treasury share S\$'000	Total S\$'000
	Balance as at 1 April 2019	73,279	(30,502)	(1,052)	1,150	(142)	(736)
Total comprehensive loss for the financial period	-	(123)	-	-	-	-	(123)
Balance as at 30 September 2019	<u>73,279</u>	<u>(30,625)</u>	<u>(1,052)</u>	<u>1,150</u>	<u>(142)</u>	<u>(736)</u>	<u>41,874</u>


JUBILEE INDUSTRIES HOLDINGS LIMITED

Company Registration Number: 200904797H

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 and fully paid	Number of ordinary shares	Share Capital (\$\$)
Balance as at 1 April 2020 and 30 September 2020	256,857,873	74,429,413

The Company has no outstanding warrants as of 1 April 2020 and 30 September 2020.

The outstanding convertibles and treasury shares on 30 September 2020 are as follow:

Purchased and fully paid	Number of treasury shares	Share Capital (\$\$)
Balance as at 1 April 2020 and 30 September 2020	3,420,500	736,384

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

	At 30 Sep 2020	At 31 Mar 2020
Total number of issued shares excluding treasury shares	253,437,373	253,437,373

There were no treasury shares purchased during the period from 1 April 2020 to 30 September 2020.

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

Not applicable. There were no uses of treasury shares during and as at the end of the current financial period ended 30 September 2020.

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.

Not applicable.

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 auditor.

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.

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

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 Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with those for the audited financial statements as at 31 March 2020.



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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.

Not applicable.

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	
For the six-month period	
1 Apr 2020 to 30 Sep 2020	1 Apr 2019 to 30 Sep 2019

Net profit/(loss) attributable to equity holders of the Company (S\$'000)	205	(1,422)
Weighted average number of ordinary shares outstanding for basic earnings per share	253,437,373	253,437,373
Basic earnings/(loss) per share (cents per share)	0.08	(0.56)

Basic earnings per share is computed by dividing the profit attributable to the equity holders of the Company in each financial period by the weighted average number of ordinary shares outstanding as at the end of the respective financial period.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the

- (a) Current financial period reported on; and
(b) Immediately preceding financial year.

Group		Company	
30 Sep 2020 S\$ cent	31 Mar 2020 S\$ cent	30 Sep 2020 S\$ cent	31 Mar 2020 S\$ cent

Net asset value ("NAV") per ordinary share	14.13	14.12	19.63	14.31
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The NAV per ordinary share for the Group and the Company as at 30 September 2020 and 31 March 2020 were calculated based on 256,857,873 ordinary shares in issue as at the respective reporting dates.



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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, cost, 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.

REVIEW OF STATEMENT OF COMPREHENSIVE INCOME FOR THE GROUP

Revenue

The Group's revenue decreased by approximately S\$20.5 million or 26.2% from S\$78.1 million in HY2020 to S\$57.6 million in HY2021.

Revenue from the Mechanical Business Unit ("MBU") decreased marginally by S\$0.2 million from S\$11.8 million in HY2020 to S\$11.6 million in HY2021. The extension of the movement control order to December 2020 by the Malaysian Government to further curb the spread of Covid-19 has affected the performance of MBU as some of its customers in the non-essential services sectors are forced to continue with lockdown. To mitigate the impact on revenue, MBU improved on tool trial processes to maintain revenue stream and is venturing into new technologies of rubber mold fabrications, repairs and servicing.

Revenue from the Electronic Business Unit ("EBU") remain as the major contributor despite a decrease of S\$20.3 million from S\$66.3 million in HY2020 to S\$46.0 million in HY2021. EBU was adversely affected because demand for consumer electronics and industrial equipment diminished to almost zero owing to the pandemic and the ongoing trade disputes between USA and China.

The gross profit of the Group decreased by S\$0.4 million from S\$4.1 million in HY2020 to S\$3.7 million in HY2021. Gross profit margin increased from 5.2% for HY2020 to 6.5% for HY2021. The improvement in the gross profit margin is due to the limited supply of electronic components which has enabled the EBU to sell at better margins. Samsung and SK Hynix continues to remain as the top 2 product lines for EBU. The revenue for these 2 product lines dropped by 50.8% from S\$47.6 million in HY2020 to S\$23.4 million in HY2021 but gross profit has maintained at S\$1.0 million for both periods.

Other income and Other losses, net

The Group's other income increased by S\$0.5 million from S\$0.2 million in HY2020 to S\$0.7 million in HY2021. The increase in other income was mainly attributable to various government grants received by the Group due to Covid-19, as well as rental income. Other losses of S\$0.1 million for HY2021 as compared to S\$0.8 million in HY2020 was mainly due to revaluation on foreign currencies in EBU, predominantly the United States Dollar ("USD"), which is also the primary transactional currency for the business unit.

Distribution and marketing expenses

Distribution and marketing expenses have decreased by approximately S\$0.4 million or 78.8% from S\$0.5 million in HY2020 to S\$0.1 million in HY2021. The largest decline came from a reduction of sales agents' commission payout, lower staff and related costs from the reduction of sales, and lower business travelling and entertainment expenses as a result of the pandemic in HY2021.

Administrative expenses

Administrative expenses included staff costs, professional fees and depreciation. The decrease of S\$0.7 million or 18.8% from S\$4.0 million in HY2020 to S\$3.3 million in HY2021 was mainly due to lower staff related costs and general expenses. In view of the challenging operating environment and the impact of Covid-19 in the continuing quarters of the financial year, the Group implemented various cost containment measures to mitigate the compounding challenges. These measures resulted in a reduction of S\$0.5 million in staff costs and another S\$0.2 million in professional fees and general expenses.

Finance expenses

Finance expenses decreased by S\$0.2 million or 28.6% to S\$0.4 million in HY2021 compared to S\$0.6 million in HY2020 due to lower bank borrowings and use of the Letter of credit/Trust receipt facilities in line with the decrease in sales.

Income Tax expense

The Group's tax expense remained at S\$0.06 million for both HY2020 and HY2021 for taxes paid by subsidiary corporations based on estimations of their current year corporate income tax liabilities.

Share of Profit of Associated Company

The Group's share of profits of an associated company has decreased by S\$0.6 million from a profit of S\$0.2 million in HY2020 to a loss of S\$0.4 million in HY2021 due to a decline of profit generated by the associated company from a profit of MYR3.5 million in HY2020 to a loss of MYR8.5 million in HY2021.



JUBILEE INDUSTRIES HOLDINGS LIMITED

Company Registration Number: 200904797H

REVIEW OF FINANCIAL POSITION

Current Assets

The Group's current assets decreased by approximately S\$0.9 million or 1.7% from S\$55.5 million as at 31 March 2020 to S\$54.5 million as at 30 September 2020. The decrease in cash and cash equivalents of S\$4.3 million used for operating activities and repayment of bank borrowing was offset by an increase of S\$0.9 million in trade and other receivables, S\$1.7 million in inventory and S\$0.7 million in other current assets. The increase in inventories is due to reporting period cut off and is transitional.

Non-current Assets

Non-current assets decreased by S\$1.0 million or 4.7% from S\$20.6 million as at 31 March 2020 to S\$19.6 million as at 30 September 2020. The decrease of S\$0.4 million is from PPE and Intangible assets which are stated net of depreciation charges. As of 30 September 2020, PPE and Intangible assets were S\$7.2 million and S\$1.6 million respectively as compared to S\$7.4 million and S\$1.8 million for 31 March 2020. There was also a decrease in investment in an associated company, EG Industries Berhad ("EG"), of S\$0.6 million arising from share of loss for HY2021. The Company has also increased its investment in one of its subsidiary corporations by S\$13.6 million to rebalance the subsidiary corporation's capital structure to enhance business potential.

Current Liabilities

The Group's current liabilities decreased by approximately S\$1.9 million or 5.0% from S\$36.2 million as of 31 March 2020 to S\$34.3 million as of 30 September 2020. Trade and other payables decreased by S\$0.7 million from S\$22.6 million as of 31 March 2020 to S\$21.9 million as of 30 September 2020 mainly due to lower purchases and other payables. Borrowings declined by a net of S\$1.2 million from S\$13.1 million in HY2020 to S\$11.9 million in HY2021. The use of invoice financing was lowered by S\$4.3 million due to the decline in purchases offset by an increased used of letter of credit discounting of S\$3.1 million following the resumption of business and factory deliveries by our customers post Covid-19 shut down in China.

The Group reported positive working capital of S\$20.2 million as at 30 September 2020 as compared to S\$19.3 million as at 31 March 2020. This increase in working capital was attributable to an increase in trade and other receivables of S\$0.9 million, inventories of S\$1.7 million and other current assets of S\$0.7 million and a decrease in cash and cash equivalents respectively, offset by a decrease in short-term borrowings of S\$1.2 million and trade and other payables of S\$0.7 million.

REVIEW OF CASHFLOW STATEMENT

Net cash flow used in operating activities for HY2020 was S\$2.5 million, comprising operating gain before working capital changes of S\$1.6 million and working capital outflow of S\$4.0 million. The working capital outflow was mainly due to an increase in trade and other receivables of S\$0.9 million, inventory of S\$1.7 million, other current assets of S\$0.6 million and a decrease in trade and other payables of S\$0.7 million.

Net cash used in investing activities was S\$0.1 million, mainly due to cash from disposal of property, plant and equipment, dividends and interest received amounting to S\$0.1 million offset by acquisition of additional property, plant and equipment of S\$0.2 million.

The cash used in financing activities of S\$1.8 million was mainly due to repayment of bank borrowings and withdrawal of short term deposits of S\$1.4 million and interests paid of S\$0.4 million.

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

Not applicable. No prospect statement or forecast has been previously disclosed to shareholders.



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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 event that may affect the group in the next reporting period and the next 12 months.

The Group continues to face headwinds in the form of pricing pressure and negative market sentiment due to continuing US-China tensions. In addition, the Covid-19 pandemic continues to cause considerable uncertainties for the Group's ongoing operations and the Company will need to continue closely monitoring over the state of the Asian markets in which it operates. Over the course of 1HY2021, the Group was impacted by mandatory government movement controls in Malaysia and India in order to curb the spread of Covid-19. India was under a partial lockdown until 31 August 2020 as the country perseveres with efforts to contain the virus while Malaysia extended its movement control order till December 2020. The Covid-19 pandemic has disrupted global supply chains and upended global demand and supply. The Group will continue its cost containment measures to mitigate the impact of Covid-19 and will remain vigilant on cost, credit, and cashflow management as well as to stay focused on improving machine utilisation rates to help achieve cost savings to position itself as the preferred supplier amongst its customers for both its business segments, MBU and EBU.

As a plastic component provider into the worldwide supply chains of OEMs, MBU continues to face pricing pressures from customers and foreign exchange volatility. To mitigate the impact during this unprecedented time, MBU has been conducting a review of all our processes to make improvements in productivity and operational efficiency for the longer term and tightening costs/capital expenditure with prudent assessments on new project returns to justify the expenditure. We are strategising to diversify our customer base and expand our product offerings for higher margin plastic components beyond our current automotive and consumer products which have been sluggish in the global economy. We are improving to shorten the tool trial processes and are venturing into new technologies of rubber mold fabrications, repairs and servicing. On a segmental basis, automotive demand is expected to experience a longer road to recovery as orders will continue to remain low due to the impact of Covid-19 across US, Europe and Asia. The consumer products had a softening demand but from August 2020, we have been seeing a gradual recovery with new orders secured for new projects from new and existing customers for deliveries in December 2020. In addition for MBU, the medical segment continues its momentum, having secured a new project from new customer and expanding into vitreoretinal. Despite the current market conditions, the Group continues to receive queries from both new and existing customers for new projects within each segment.

For EBU, it is a tumultuous year for semiconductors, or at least for our company. We started the financial year with economic uncertainties arising from the trade disputes between USA and China and thereafter, rattled by Covid-19 which adversely affected the world economy and upended the global supply chain. Our business was gravely affected because demand for consumer electronics and industrial equipment diminished with only products used in specific medical applications to sustain. Our business was also affected with limited manpower, logistics and transportation providers. EBU anticipates the demand for electronics to recover in October 2020 and is confident to mitigate the gap in revenue and gross profit. 1HY2021 for EBU closed below guidance and expectation with a revenue of S\$46.1 million.

11. Dividend

(a) Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Period

Dividend declared for the corresponding period of the immediately preceding financial period?

No

(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).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) Book closure date.

Not applicable.



JUBILEE INDUSTRIES HOLDINGS LIMITED
Company Registration Number: 200904797H

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

No dividend has been declared or recommended for the financial period ended 30 September 2020 as the Company deems it necessary to preserve cash for this HY2021.

13. If the Group has obtained a general mandate from shareholders for Interested Person Transactions ("IPT"), 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.

There was no IPT greater than S\$100,000 for HY2021. The Group does not have a general mandate from its shareholders for IPT's.

14. Confirmation by the Board pursuant to Rule 705(5) of the listing manual

The Board of Directors of the Company hereby confirms to the best of our knowledge that nothing has come to their attention which may render the unaudited financial statements for for the six months ended 30 September 2020 to be false or misleading in any material aspect.

15. Confirmation by the Board pursuant to Rule 720(1) of the listing manual

On behalf of the Board of Directors of the Company, we hereby confirm that we have procured all the required undertakings to comply with the Exchange's listing rules from all the Directors and Executive Officers of the Company.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and CEO

13 December 2020