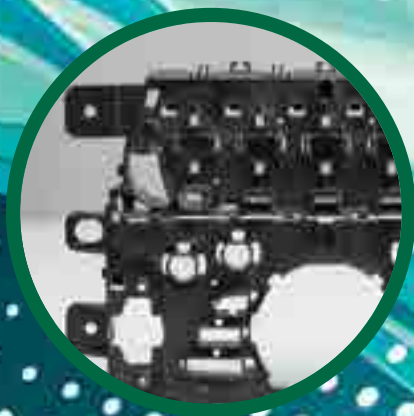




Jubilee Industries Holdings Ltd.

ANNUAL REPORT 2016

CONTENTS

02	Corporate Profile
04	Letter to Shareholders
06	Operations and Financial Review
09	Board of Directors
11	Corporate Management
12	Corporate Directory
13	Corporate Governance Report
28	Financial Statements
93	Statistics of Shareholdings
96	Notice of Annual General Meeting
	Proxy Form
	Corporate Information

This annual report has been prepared by the Company and its contents have 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 annual report.

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

The contact person for the Sponsor is Mr. Tan Chong Huat, Registered Professional, RHT Capital Pte. Ltd.

Address: Six Battery Road #10-01, Singapore 049909 Tel: 6381 6757



Moulding a Sustainable Future

**WE ARE A FULL-FLEDGED
ONE-STOP PROVIDER
OF ELECTRONICS
COMPONENTS, PLASTIC
INJECTION MOULD AND
MOULDING SOLUTIONS
WITH FOCUS ON OUR
CORE COMPETENCIES
IN MEETING OUR
CUSTOMERS' STRINGENT
REQUIREMENTS FOR
PRECISION AND
INNOVATION PRODUCTS.**

Corporate Profile



Established in 1993 and listed on SGX-Catalist since 10 July 2009, Jubilee Industries Holdings Limited ("Jubilee" or the "Company", and together with its subsidiaries, the "Group") is a one-stop service provider of precision plastic injection mould design and fabrication ("MDF"), precision plastic injection moulding ("PPIM"), manufacturer's representative for electronics products based in Singapore covering Southeast Asia. The Group provides system integration, business consultancy for turnkey electronics solutions for the Asia Pacific Rim, including value-added services for global customers in consumer electronics, computer peripherals, automotive and household appliances.

Armed with our vertically-integrated capabilities and cost efficient manufacturing locations, we provide high-quality products, driven by our core values in precision, innovation and aesthetics, to our global customers.

Headquartered in Singapore, our production facilities span across Malaysia and the People's Republic of China (the "PRC"), and our products are sold to customers in the United States, Singapore, Europe and Malaysia.

MOULD DESIGN AND FABRICATION BUSINESS ("MDF")

We produce plastic injection moulds for consumer electronics, household appliances, automotive and computer peripherals. MDF or "tooling" involves the design and fabrication of the precision plastic injection mould, a steel tool made up of many operating parts ("tooling inserts") assembled together, and subsequently used in PPIM or sold directly to customers. We believe that a good tool forms the heart of a good product. At Jubilee, we take pride in building a good tool from the

Corporate Profile

design stage to the mould assembly. That is why we use only state-of-the-art steel cutting machines, such as the Mikron 5-axis machine. We believe that strong hardware and excellent skill sets are critical in every step to make a tool that we can be proud of.

In the MDF segment, we design and fabricate intricate precision plastic injection moulds. In addition, we have the capability to fabricate precision moulds with high aesthetic value, and are one of the leaders in surface polishing. Among our key strengths is our ability to build double-shot injection tools, a technology we have perfected over the years. We also build complex engineering tools for some of the most stringent customers in the medical and automotive industry.

We have a dedicated team of professional program managers and designers who will study our customers' needs and part requirements, and go through a thorough design for manufacturing process before proceeding with tool fabrication. Our quality motto is to do things right the first time to avoid unnecessary waste.

PRECISION PLASTIC INJECTION MOULDING BUSINESS ("PPIM")

We offer a variety of PPIM services including single-shot, double-shot, vertical, insert and gas-assisted moulding. The different mouldings allow different types of precision plastic components to be produced, allowing us to produce a wide range of components for parts of our customers' finished products including mobile phones, computer peripherals and MP3 players.

Striving to meet our customers' high expectations has led to improvements in our manufacturing standards. Our engineers and operators are committed towards maintaining the quality of our products, ensuring that every part delivered represents our Company's signature of good quality. From injection moulding machines to quality inspection equipment, we use only the best in the market to ensure that every product piece is consistent. Through many years of cooperation, our customers have recognised Jubilee as their trusted manufacturing partner in providing quality services and reliable deliveries.

We have a wide range of machines ranging from 40 to 1600 tonnes, ensuring that we have the right equipment to suit our customers' needs. Apart from mainstream plastic injection moulding machines, we also offer other specialty machines such as double-shot injection and vertical machines.

We offer a variety of value-added services for plastic decorative purposes such as laser etching, ultrasonic welding, heat staking, printing, polishing and sub-assembly services. These secondary processes encompass most products' engineering requirements - delivering a one stop, vertically integrated solution to our customers.

ELECTRONIC COMPONENTS DISTRIBUTION

Our Electronic Components Distribution business unit represents internationally renowned principals with an extensive array of active, passive and electromechanical products. These include memory devices, radio frequency modules, power management integrated circuits, microcontrollers, transistors, mosfets, capacitors, inductors, resistors, crystal, oscillators and connectors. In addition, we provide high end industrial power solutions, design-in services and integration to meet customers' specific requirements.

Our customers are mainly Original Design Manufacturers, Original Equipment Manufacturers and Electronics Manufacturers in diverse market segments throughout the Asia-Pacific region.

With our integrated supply chain system and distribution centres in Singapore and Hong Kong, we serve well over 500 customers with various programs including vendor managed inventory, third party logistic hubs and back to back deliveries.

Letter to Shareholders



Terence Tea
Non-Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, I present Jubilee Industries Holdings Ltd's ("Jubilee" or the "Group") latest annual report for the financial year ended 31 March 2016 ("FY2016").

Business Overview

In FY2016, Jubilee stayed the course on its new strategic growth direction to expand its customer base and vertically integrate its operations by leveraging on merger and acquisition and strategic alliance opportunities. In this respect, the Group's focus on integrating the supply chain and operations of WE Components ("WE Components Group") has paid off.

Besides significantly boosting the Group's topline, the WE Components Group, which now forms the Group's Electronic Components Distribution business segment has provided invaluable sharing of its distribution channels, manufacturing facilities, sales offices, resources, talents, knowledge and expertise, and market intelligence.

Jubilee continues to maintain a positive view on the business and operational synergies that have emerged from the successful consolidation of WE Components and the Group's strategic stake in EG Industries Berhad ("EG Industries"), following the completion of a rights and warrants exercise in November 2015.

We are pleased to note that EG Industries' performance has improved, on a year-on-year basis. For the period 1 April 2015 to 31 March 2016, EG

Industries recorded an operational profit of RM 20.1 million, up from RM 3.3 million posted for the period 1 April 2014 to 31 March 2015. These comparative periods were taken, in view that EG Industries has a June year-end.

With enhanced competitiveness through economies of scale and a broadened product and service offering, the Group will be able to better manage increasing price pressures from competitors, uncertainties in the global economic outlook and growing costs of operations. The Group believes that these synergies will be a key growth driver for Jubilee, which will help create value for its shareholders.

As part of Jubilee's strategic growth initiative, the Group also remains committed to strengthening its balance sheet to provide the support necessary for the Group to achieve a next level of growth.

On 31 March 2016, the Group's wholly-owned subsidiary Jubilee Manufacturing Sdn Bhd ("Jubilee Manufacturing Malaysia") entered into a sale and purchase agreement with Oren Sport Sdn Bhd for the sale of the company's property in the State of Johor, Malaysia. The sale consideration for the property was RM5.1 million (approximately S\$1.7 million) and the Group intends to use the proceeds from the disposal as general working capital to capitalise on future business opportunities that may arise.

Letter to Shareholders

Financials

The Group's total revenue surged by approximately S\$49.5 million to S\$84.6 million in FY2016 from the preceding 15-month period ended 31 March 2015 ("FP2015"). This was bolstered by a full-year revenue contribution of S\$71.8 million from the Group's electronic components business following the acquisition of WE Components Group, which was completed on 31 January 2015. This represented 84.9% of the overall revenue mix as contribution from previous core business segments of Precision Injection Moulding ("PPIM") and Design, Fabrication and Sale of Precision Injection Moulds ("MDF") declined on the back of weaker sales.

The Electronic Components Distribution business segment contributed S\$4.4 million in gross profit for FY2016, up from S\$0.8 million in FP2015. Gross loss for the PPIM and MDF business segments narrowed from S\$0.9 million to S\$0.6 million in FY2016 and from S\$1.4 million to S\$0.3 million respectively as the Group's customer base expanded to include a greater number of multi-national corporations ("MNCs") in FY 2016, compared to a single major MNC customer in FP2015. Gross profit contributed from the Electronic Components Distribution business segment was partially offset by a gross loss of approximately S\$0.6 million and S\$0.3 million posted by the PPIM and MDF segments respectively. As a result, the Group emerged from gross loss of S\$1.6 million in FP2015 to gross profit of S\$3.5 million in FY2016. The Group posted a gross profit margin of 4.1% in FY2016, compared to a gross loss margin of 4.6% in FP2015.

In the period under review, the Group posted net loss attributable to shareholders of S\$22.2 million, which was attributed mainly to a one-off loss of S\$13.6 million due to the dilution of investment in an associate company, goodwill written off at S\$2.3 million and S\$1.9 million foreign exchange loss.

Excluding these one-off items, the Group would have recorded a lower net loss of S\$4.4 million for FY2016, compared to a loss of S\$7.7 million registered in FP2015 after excluding a one-off revaluation gain that amounted to S\$8.0 million from the acquisition of an associate company, and an accompanying foreign exchange gain of S\$0.2 million.

Outlook

The Group is conscious of the uncertainties in the global economic outlook, increasing costs of operations, particularly in labour costs, as

well as pricing pressures from customers in the year ahead. To help mitigate these operating challenges, the Group has been working to improve its machine utilisation in its China and Malaysia sites as part of its efforts to better manage its cost.

Cost reduction will be a key area of focus for the Group in the coming year and the Group will continue to vigilantly monitor the ever-changing markets and look into improving its product mix towards higher margin products and services.

The Group also intends to continue seeking suitable opportunities in mergers and acquisitions which will add synergy to our existing businesses that can create long term value for our shareholders.

Appreciation

On behalf of the Board, I would like to express my gratitude to our valued business partners, stakeholders and shareholders for their continued support through the good and difficult times. Your confidence in Jubilee has been a source of strength for us as we seek to work towards a more exciting future.

Mr. Terence Tea

Non-Executive Chairman
Jubilee Industries Holdings Ltd

June 27, 2016

Operations and Financial Review



The Group adjusted its financial year end from 31 December 2014 to 31 March 2015 as announced on 3 October 2014. Accordingly, the corresponding comparative period used is from 1 January 2014 to 31 March 2015 ("FP2015"), versus a 12-month financial year ended 31 March 2016 ("FY2016").

Operations and Financial Review

Jubilee Industries Holdings Limited (the "Group") posted total revenue of S\$84.6 million in FY2016, a S\$49.5 million or 141.1% jump from S\$35.1 million recorded in FP2015. The Group reported net loss attributable to shareholders of S\$22.2 million in FY2016, compared to a net profit attributable to shareholders of S\$0.5 million in FP2015.

Excluding a one-off loss on dilution of the Group's associated company, goodwill written off and foreign exchange losses, net loss for FY2016 would have narrowed to S\$4.4 million. This is compared to a loss attributable to shareholders of S\$7.7 million in FP2015 after excluding a one-off revaluation gain of S\$8.0 million from the acquisition of an associated company, and an accompanying foreign exchange gain of S\$0.2 million.

Revenue

This was mainly attributable to the acquisition of WE Components Group on 31 January 2015, which now forms the Group's Electronic Components Distribution business segment. This business segment was the main revenue contributor in FY2016, with a full year contribution of S\$71.8 million as compared to two months contribution of S\$10.9 million recorded in FP2015. This represented 84.9% of the overall total revenue mix, a jump from 31.1% in the previous corresponding period.

Meanwhile, revenue from the Group's Precision Injection Moulding ("PPIM") segment dipped by approximately S\$4.0 million, or 28.8%, from S\$13.8 million in FP2015 to S\$9.9 million in FY2016 mainly due to lower sales to customers. The Group's Design, Fabrication and Sale of Precision Injection Moulds ("MDF") segment also saw revenue declined by approximately S\$7.4 million, or 72.0%, from S\$10.3 million in FP2015 to S\$2.9 million in FY2016 mainly due to decreased orders from customers.

The Group's change in product mix resulted in the PPIM segment accounting for 11.6% of overall revenue in FY2016, compared to 39.5% a year ago. MDF also saw its contribution decline from 29.5% in FP2015 to 3.4% in FY2016.

The Group's cost of sales increased by approximately S\$44.4 million from S\$36.7 million in FP2015 to S\$81.1 million, in line with the increase in revenue.

As a result, the Group reported a gross profit of S\$3.5 million in FY2016, a turnaround from a gross loss of S\$1.6 million in FP2015. The Electronics Components Distribution segment contributed a gross profit of S\$4.4 million in FY2016. This was partially offset by a gross loss of approximately S\$0.6 million and S\$0.3 million posted by the PPIM and MDF segments, respectively.

Consequently, the Group reported a gross profit margin of 4.1% in FY2016, a reversal from a gross loss margin of 4.6% in FP2015.

Other Income and Other Losses - Net

The Group's other income dipped to S\$0.5 million in FY2016 compared to S\$0.8 million registered in FP2015. This is mainly due to lower bank interest received from lower bank balance and sale of scrap.

Other losses amounted to S\$15.0 million in FY2016 compared to S\$0.2 million in FP2015, after taking into consideration the loss on dilution of investment in an associated company of S\$13.6 million. The increase was partly due to foreign exchange losses of S\$1.8 million brought about by the unfavourable impact of the weakening Malaysian ringgit, the reporting currency of the Group's subsidiary in Malaysia.

Expenses

Selling and distribution expenses increased S\$0.08 million to S\$1.1 million in FY2016. This was mainly due to the commission expenses incurred by the WE Components Group which was acquired by the Group in FP2015.

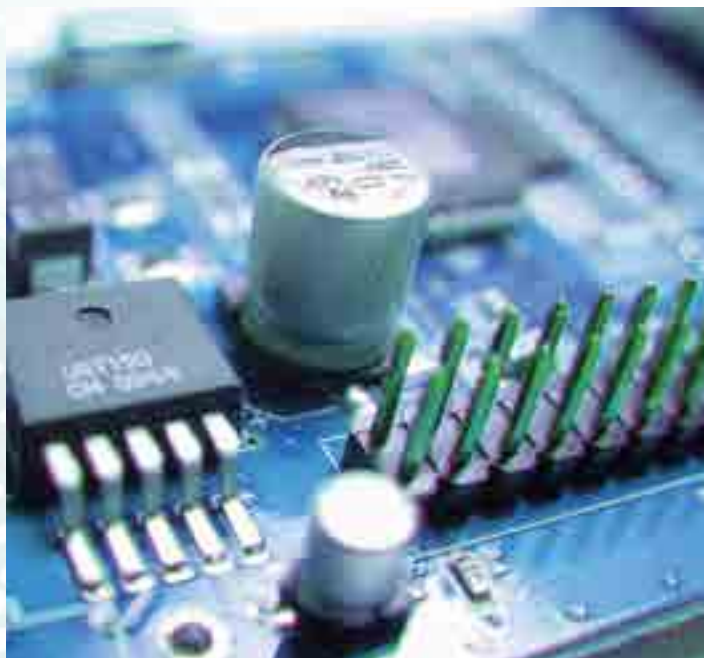
Administrative expenses increased to S\$11.2 million in FY2016. This was mainly attributable to goodwill written off of S\$2.3 million and staff costs stemming from the acquisition of the WE Components Group.

The Group's borrowings decreased to S\$0.3 million in FY2016 from S\$0.8 million in FP2015. However, finance expenses increased to S\$0.3 million as at end of FY2016 as the paydown of the loans were only made towards the financial year-end while the quantum of the loans were higher during the financial year.

Contribution from Associated Company

The Group's strategic stake in EG Industries was reduced following the completion of a rights and warrants exercise in November 2015. As a result, the Group's bottomline was impacted by a one-off loss on dilution of investment in associated company of S\$13.6 million, which more than offset the share of profit amounting to S\$2.0 million contributed by EG Industries during the year under review.

Operations and Financial Review



Tax Expense

Income tax expense increased from a tax credit position of S\$3,000 in FP2015 to a tax expense of S\$0.4 million in FY2016 due mainly to the additional tax payable by the Group's Kunshan subsidiary due to the prior year's amended tax assessment.

Balance Sheet Highlights

The Group's current assets increased by approximately S\$8.8 million or 35.5% to S\$33.7 million in FY2016, mainly due to an increase in trade and other receivables of S\$14.4 million, in line with the increased sales. The gain was partially offset by a decrease in cash and cash equivalents and inventories of S\$3.0 million and S\$2.8 million respectively, as cash was used to purchase inventories that are sold and to be collected through trade receivables.

Non-current assets decreased to S\$11.3 million in FY2016 from S\$27.0 million in FP2015 due mainly to the loss on dilution of the investment in associated company, EG Industries, of S\$13.6 million.

The Group's current liabilities rose by approximately S\$13.1 million to S\$25.7 million in FY2016. This was mainly attributable to an increase in trade and other payables of S\$13.5 million to S\$25.3 million, which was in line with the increase in sales. The increase was offset by decrease in borrowings of approximately S\$0.5 million due to the repayment of term loans being made during FY2016.

As at 31 March 2016, the Group reported a positive working capital of S\$8.0 million as compared to S\$12.3 million in FP2015. The decrease was mainly due to the lower increase in current assets from the decrease in cash and cash equivalents due to the abovementioned.

Cash Flow Statement

The Group's cash and cash equivalents (excluding short-term deposits pledged as collateral) were S\$0.9 million as at 31 March 2016, a decrease of S\$3.0 million as compared to S\$3.9 million as at 31 March 2015.

Net cash used in operating activities for FY2016 was S\$3.0 million, comprising an operating loss before working capital changes of S\$4.5 million and cash generated from operations of S\$1.7 million. The working capital outflow was mainly due to the increase in trade and other receivables and other current assets of S\$14.4 million and S\$0.2 million respectively. This outflow was offset by the cash inflow generated from the decrease in inventories of S\$2.8 million and increase in trade and other payables of S\$13.5 million.

Net cash generated from investing activities was mainly contributed by the proceeds from the disposal of investment properties.

The cash used in financing activities was mainly due to the repayment of bank borrowings.

Board of Directors



TERENCE TEA YEOK KIAN

Non-Executive Chairman

Mr. Terence Tea Yeok Kian is a successful entrepreneur and a highly regarded member of the business community. He is responsible for strategising businesses, building and establishing right platforms on organisational levels for various core businesses and lead corporations to successful acquisitions and reverse acquisitions thus revolving companies to greater heights. Mr. Tea was known for his name when he kicked off with an impact founding a PCB testing company and eventually listed up in the SESDAQ board in 2004. He brought the company to a whole new level in a very short period of time where it was soon being uplifted to become one of the main board listing in 2007.

Mr. Tea currently serves on the boards of several companies. He is the Chairman and Managing Director of WE Holdings Ltd.. Mr. Tea is also the Chairman of EG Industries Berhad which was first listed on the KLSE in 1993. SMT Technologies Sdn Bhd ("SMTT") being under the umbrella is one of an outstanding achievements whom received the TOP 50 Global EMS provider in 2012. Being led by Mr. Tea with his profound strategies, SMTT grows rapidly to become one of the market leaders in South East Asia for Electronic Manufacturing Services. Being a Public-Confident figure, Mr. Tea stands as a major pillar to the Group's success. SMTT is proud to announce on her confident-driven Global clients like JVC, SONY, SHARP, HITACHI, Western Digital and Dyson. SMTT is also responsible for their engineering services, product development, supply chain solutions to OEMs in the industrial, consumer electronics sector, medical devices, lighting, HVAC, computing, medical devices, lighting and mobile communications among other core facilities. Mr. Tea has built numerous subsidiaries across the Asia regions such as China, Taiwan, Thailand, Malaysia and India while having Singapore as his regional HQ to propagate his businesses to clients' locations around Asia. The rapid growth under the leadership of Mr. Tea had gained public trust and his organization was recently awarded with the SME 500 of Singapore.

As an active member of the community, Mr. Tea helms several other appointments in the public sectors as well. He currently sits on the board as a Chairman of the Eng Yong Tong Tay Si Association, Honorary Patron of the Singapore Productivity Association, Patron of Nee Soon East Constituency, Patron of Sembawang GRC and an Advisory committee member of the River Valley High School.

Mr. Tea is also the TOP Entrepreneur 2015 of the Small Medium Business Association in Singapore. For his business achievements and Public Services, Mr. Tea was conferred a Ph.D. in Business Administration (Honorary) from the Honolulu University and is a member of the Singapore Institute of Directors. Mr. Tea was awarded the Public Service Medal (PBM) by the President of the Republic of Singapore, as well as the Long Service Award (MOE) by Singapore's Ministry of Education.

Board of Directors



Pao Kiew Tee

Independent Director

Mr. Pao Kiew Tee was appointed as the Group's Independent Director on 9 June 2009. Mr. Pao is the Chairman of the Audit Committee and a member of the Remuneration Committee.

Mr. Pao was a Senior Government Auditor holding the position of Senior Group Director. As a senior auditor, he was overall in charge of a group responsible for auditing the financial statements and operation audits of government ministries and statutory boards. Prior to joining the Singapore Government in 1979, Mr. Pao was with an accounting firm in New Zealand between 1977 and 1978. From graduation in 1974 to 1977, Mr. Pao worked for the Commercial Bank of Australia in New Zealand.

Mr. Pao is currently an independent director of two other public listed companies in Singapore, namely Mary Chia Holdings Limited and Logistics Holdings Limited. He was appointed an independent director of Wong Fong Industries Limited on 28 June 2016, which has lodged a preliminary offer document with the SGX in relation with its proposed listing on Catalist. He held the position of honorary treasurer or honorary secretary of the Serangoon Gardens Country Club for several years between 1998 and 2012. He is also active in various grassroots organisations and is a member of the Audit Committee of Seletar Country Club.

Mr. Pao holds a Bachelor of Commerce (Accounting) degree from the University of Otago, Dunedin, New Zealand in 1974. He is a Fellow of the Institute of Chartered Accountant of Singapore and a member of the Singapore Institute of Directors.



Cheong Keng Chuan Alfred

Independent Director

Mr. Cheong Keng Chuan Alfred was appointed as the Group's Independent Director on 23 June 2016. Mr. Cheong is a member of the Audit, Remuneration and Nominating Committees.

Mr. Cheong is the Deputy Managing Partner of Crowe Horwath First Trust LLP, a local firm of certified public accountants. He has over 20 years of experience in the audit and financial consulting services industry, including serving six years at Arthur Andersen from 1996 to 2001 and two years at Protiviti Pte Ltd from 2003 to 2005. Mr. Cheong also has extensive experience in commercial financial management having held the post of regional financial manager at Linklaters Allen & Gledhill Pte Ltd, an international legal firm from 2001 to 2002 and as the financial controller of Aztech Systems Ltd., a publicly-listed company in Singapore from June 2002 to October 2002.

Mr. Cheong is currently the Independent Director of C&G Environmental Protection Holdings, China HongXing Sports Ltd and DeBao Property Development Ltd. He was the Independent Director for Sinotel Technologies Ltd and Cacola Furniture Intl Ltd for several years between 2007 to 2016 and 2007 to 2011 respectively.

Mr. Cheong holds a Bachelor of Commerce (Accounting and Economics) degree from Deakin University, Australia. He is a practising member of the Institute of Singapore Chartered Accountants and a Certified Practising Member of the Australian Society of Certified Practising Accountants.

Corporate Management

Mr. Loh Eng Lock Kelvin

Chief Financial Officer

Mr. Loh is the Chief Financial Officer ("CFO") of the Company and is overall responsible for the finance department of the Group. He is also responsible for management reporting and oversees the financial and internal controls of the Group.

Prior to this, Mr. Loh joined the WesTech Group in November 2008 as the Finance Manager and assisted the then CFO in the overall direction and control of the WesTech Group, including the financial and management of accounts, legal matters, credit control, internal and external auditing and financial planning and analysis. He was then promoted to Vice President of Finance in the WesTech Group, now known as WE Holdings Ltd. Group, on 2011 and subsequently to CFO on 2013 to oversee the finance department. With the acquisition of the WE Components Pte. Ltd. Group in 2015, subsidiaries of WE Holdings Ltd. Group, by the Company, Mr. Loh was appointed as the CFO for the latter. Mr. Loh has ten years of experience in audit and holds a Bachelor of Business (Accounting) from the Queensland University of Technology and is a member of CPA, Australia.

Mr. Lek Suay Tee

Vice President

Mr. Lek Suay Tee joined the Group as the Vice President of E'Mold Holding Pte Ltd on 1st September 2014. He is responsible for managing day-to-day operations of the moulding and tool making operations of the Group's China subsidiary. His other responsibilities include in improving current process flows and effectiveness of project management and development of sales and marketing.

Mr. Lek has more than 30 years of experience in sales and marketing management, project management and manufacturing operations, (20 years in electronics industrial and 10 years in molding and tooling industrial). Prior to joining the Group, he was the Program Director of a Singapore owned molding and tooling company in Suzhou China for 10 years, overseeing the project and sales & marketing and tooling engineering departments.

Mr. Lek holds a Diploma in Production Management and a Diploma in sales and marketing management awarded by NPB.

Mr. Kwek Swee Leng Jonathan

General Manager

Mr. Kwek joined the Company in June 2013 as the General Manager. He reports to the Executive Chairman and is responsible for implementing strategic goals and subsequently, providing the directions and leaderships necessary to achieve them.

Prior to this, Mr. Kwek has held senior positions in both listed and private companies in the electronics component industry. He has 24 years of experience in this industry. He holds a Bachelor Degree in Business Administration with the National University of Singapore as well as a Graduate Diploma in Marketing with the Marketing Institute of Singapore.

Corporate Directory

SINGAPORE

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CORPORATE GOVERNANCE REPORT

INTRODUCTION

The board of Directors ("Board") and the Management of Jubilee Industries Holdings Ltd. (the "Company") are committed to achieving a high standard of corporate governance within the Company and its subsidiaries (the "Group"). Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and protect the interest of the Company's shareholders (the "Shareholders"). In this respect, the Company adopts the practices based on the Singapore Code of Corporate Governance 2012 (the "Code") prescribed by the Singapore Exchange Securities Trading Limited (the "SGX-ST").

This report outlines the Company's corporate governance practices for the financial year ended 31 March 2016 ("FY2016") with specific reference to the Code. For easy reference, sections of the Code under discussion are specifically identified. However, this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures. The Company has complied with the principles of the Code where appropriate.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

The primary role of the Board is to protect and enhance long-term shareholder value. It develops the overall strategy for the Group and supervises its Management. To fulfill this role, the Board is responsible for the overall corporate governance of the Group, including providing leadership, developing its strategic objectives, establishing risk policy and goals for the Management as well as monitoring the achievement of these goals.

The Group has internal guidelines governing matters that require the Board's approval which include, *inter alia*:-

- approval of the Group's strategic objectives;
- approvals of the annual operating and capital expenditure budgets and any material changes to them;
- review of performance in the light of the Group's strategic objectives and business plans;
- changes relating to the Group's capital structure including reduction of capital, share issues and share buy backs ;
- major changes to the Group's corporate structure, including, but not limited to acquisitions and disposals;
- changes to the Group's management and control structure;
- approval of the half-yearly/full year's results announcements, annual reports and accounts, including the corporate governance report;
- contracts regarding acquisitions or disposals of fixed assets (including intangible assets such as intellectual property), substantial bank borrowings etc;
- major investments;
- changes to the structure, size and composition of the board, including recommendations from the nominating committee regarding appointment, cessation of Directors and members of board committees;
- determine the remuneration policy for the Directors, and other senior executives including the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

To assist in the execution of its responsibilities, the Board is supported by the Nominating Committee ("NC"), Remuneration Committee ("RC") and Audit Committee ("AC") (collectively, the "Board Committees"). The Board Committees operate within clearly defined terms of reference and functional procedures, which are reviewed from time to time and endorsed by the Board.

All Directors exercise due diligence and independent judgement and make decisions objectively in the best interests of the Group.

CORPORATE GOVERNANCE REPORT

The members of the Board and their membership on the board committees of the Company for FY2016 were as follows:

	Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
1	Mr Foo Say Tun ⁽ⁱ⁾	Non-Executive Chairman and Independent Director – upto 30 September 2015 Member of the Board - Independent Director – from 1 October 2015 to 31 March 2016	Member	Chairman	Member – upto 30 September 2015
2	Mr Terence Tea Yeok Kian	Executive Director & Chief Executive Officer – upto 28 May 2015 Managing Director & Chief Executive Officer – from 29 May 2015 to 30 September 2015 Non-Executive Chairman – from 1 October 2015	Member – from 1 October 2015	Member	Member – from 1 October 2015
3	Mr Pao Kiew Tee	Independent Director	Chairman	–	Member
4	Mr Low Chee Chiew ⁽ⁱⁱ⁾	Independent Director – upto 31 March 2016	Member – upto 30 September 2015	Member	Chairman – upto 31 March 2016

⁽ⁱ⁾ Mr Foo Say Tun resigned as a Director on 31 March 2016.

⁽ⁱⁱ⁾ Mr Low Chee Chiew resigned as a Director on 31 March 2016.

Currently, the Board comprises three members. There is a strong and independent element on the Company's Board. Of the three members, two are Independent Directors. The current members of the Board and their membership on the board committees of the Company are as follows:

	Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
1	Mr Terence Tea Yeok Kian	Non-Executive Chairman	Member	Member	Member
2	Mr Pao Kiew Tee	Independent Director	Chairman	–	Member
3	Mr Cheong Keng Chuan Alfred *	Independent Director	Member	Member	Member

* Mr Cheong Keng Chuan Alfred was appointed as a Director on 23 June 2016.

Board meetings are held on a regular basis to oversee the business affairs of the Group and approve any financial or business strategies or objectives. Additional Board and Board Committee meetings were held during FY2016 to address significant transactions or issues ("Ad-Hoc Meetings"). Telephonic attendance and conference via audio communication at Board meetings are allowed under the Company's Constitution.

CORPORATE GOVERNANCE REPORT

Details of the number of Board and Board Committee meetings held in the financial year under review and the attendance of each Board member at such meetings are as follows:-

Name	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Mr Foo Say Tun ⁽¹⁾	6	6	4	4	3	3	3	3
Mr Terence Tea Yeok Kian ⁽²⁾	6	5	2	2	1	1	3	3
Mr Pao Kiew Tee	6	6	4	4	4	4	–	–
Mr Low Chee Chiew ⁽³⁾	6	6	2	2	4	4	3	3

⁽¹⁾ Ceased to be a member of RC with effect from 1 October 2015. Resigned as a Director on 31 March 2016.

⁽²⁾ Appointed as member of AC and RC with effect from 1 October 2015.

⁽³⁾ Ceased to be a member of AC with effect from 1 October 2015. Resigned as a Director on 31 March 2016.

The Company recognises the importance of appropriate training for its Directors. All newly appointed Directors will be given an orientation of the Group's business strategies and operations, as well as extensive information about the Company's history, mission and values. Where relevant, such training would include areas such as accounting, legal and industry-specific knowledge as appropriate.

All Directors will also be given regular training particularly on relevant new laws, regulations and changing commercial risks which have an important bearing on the Company and the Directors' obligations towards the Company.

During FY2016, the Directors had attended relevant courses and received updates on regulatory changes to the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules") and changes to the accounting standards relevant to the Group.

Briefings and updates provided to the Directors in FY2016 include:

- the external auditors, Nexia TS Public Accounting Corporation, briefing the AC members on developments on accounting and governance standards during their attendance in the half yearly AC meetings
- the Management updated the Board at each meeting on business and strategic developments pertaining to the Group's business.

The Company has an on-going budget for all Directors to attend appropriate courses, conferences and seminars for them to stay abreast of relevant business developments and outlook.

Principle 2: Board Composition and Guidance

During FY2016, the Board had four members, comprising three Independent Directors making up more than half of the Board, as follows:

Mr Terence Tea Yeok Kian
Mr Foo Say Tun
Mr Pao Kiew Tee
Mr Low Chee Chiew

CORPORATE GOVERNANCE REPORT

Following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew on 31 March 2016, Mr Cheong Keng Chuan Alfred was appointed as Independent Director with effect from 23 June 2016. The Board currently has three members, comprising two Independent Directors. The Independent Directors make up more than half of the Board. As at the date of this report, the members of the Board are as follows:

Mr Terence Tea Yeok Kian	Non-Executive Chairman
Mr Pao Kiew Tee	Independent Director
Mr Cheong Keng Chuan Alfred	Independent Director

The independence of each Director is reviewed annually by the Board through the NC. The NC adopts the Code's definition of what constitutes an independent Director in its review. Each independent Director is required to complete a Director's independence checklist annually to confirm his independence based on the guidelines as set out in the Code.

Following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew, the NC was inquorate and therefore the annual review of independence was conducted by the Board. Mr Pao Kiew Tee confirmed his independence. The Board has determined that Mr Pao Kiew Tee is independent. Mr Cheong Keng Chuan Alfred, who was recently appointed, has also confirmed his independence. The Board has also determined that Mr Cheong Keng Chuan Alfred is independent.

The Board and its committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company and the Group with core competencies in accounting, business experience, and industry knowledge. At Board and Board committee meetings, the Independent Directors endeavour to constructively challenge and help develop proposals on strategy and to review the performance of Management in meeting goals and objectives. Key issues and strategies, challenges arising from the changes in the evolving competitive landscape are critically examined, taking into consideration the long-term interests of the Group and its shareholders. To facilitate a more effective check on Management, the Independent Directors may meet without the presence of Management.

There is no Director who has served on the Board beyond nine years from the date of his first appointment.

The Board is of the opinion that given the scope and nature of the Group's operations, the size of the Board is appropriate in facilitating effective decision making.

Key information of Directors is set out in pages 9 to 10 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

With effect from 1 October 2015, Mr Foo Say Tun relinquished his position as Non-Executive Chairman of the Board of Directors. Mr Terence Tea Yeok Kian was re-designated from the position of Managing Director and Chief Executive Officer to Non-Executive Chairman of the Board. Currently the Company does not have a Chief Executive Officer as the Company is in the process of filling up the vacancy of the Chief Executive Officer.

The Chairman's responsibilities include:

- (i) scheduling meetings and leading the Board to ensure its effectiveness and approving the agenda of Board meetings in consultation with Management;
- (ii) reviewing key proposals and Board papers before they are presented to the Board and ensuring that Board members are provided with accurate and timely information;
- (iii) ensuring that Board members engage Management in constructive debate on various matters including strategic issues and business planning processes; and
- (iv) promoting high standards of corporate governance.

CORPORATE GOVERNANCE REPORT

BOARD COMMITTEES

Nominating Committee

Principle 4: Board Membership

Principle 5: Board Performance

During FY2016, the NC comprised the following Directors, the majority of whom, including the Chairman were independent:

Mr Foo Say Tun	Independent Director	(Chairman)
Mr Low Chee Chiew	Independent Director	(Member)
Mr Terence Tea Yeok Kian	Non-Executive Director	(Member)

Following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew on 31 March 2016, the NC was re-constituted with effect from 23 June 2016. The NC now comprises the following:

Mr Cheong Keng Chuan Alfred	Independent Director	(Member)
Mr Terence Tea Yeok Kian	Non-Executive Director	(Member)

The Company currently does not have a NC Chairman and NC only consists of 2 members as the Company is in the midst of appointing a new director and the Board Committees will be re-constituted in due course.

The key terms of reference of the NC include the following:

- (i) making recommendations to the Board on all Board appointments and reappointments taking into account the Director's contribution and performance;
- (ii) reviewing the Board structure, size and composition, having regard to the principles of corporate governance under the Code;
- (iii) identifying and nominating candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
- (iv) determining, on an annual basis, whether a Director is independent based on the circumstances set forth in the Code;
- (v) recommending Directors who are retiring by rotation to be put up for re-election;
- (vi) deciding whether or not a Director is able to carry out and has been adequately carrying out his duties as a Director of the Company, particularly when he has multiple board representations;
- (vii) recommending to the Board the process for evaluation of the performance of the Board, Board committees and Directors and assessing annually the effectiveness of the Board as a whole and the contribution of each individual Director to the effectiveness of the Board;
- (viii) reviewing and make recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/CEO) and Senior Management Personnel; and
- (ix) reviewing training and professional development programmes for the Board.

When a vacancy arises under any circumstance, either as part of the progressive renewal of the Board or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC or the Board would determine the selection criteria and source for candidates. Consideration would also be given to candidates identified by substantial shareholders of the Company. The NC would make reference checks, meet up with the candidates, assess their suitability, and make recommendation to the Board. Shortlisted candidates would meet up with the other Board members before the Board approves the appointment.

CORPORATE GOVERNANCE REPORT

None of the Directors is appointed for a fixed term. Pursuant to the Company's Constitution, all Directors must submit themselves for re-election at the Annual General Meeting ("AGM") at least once every three years and all Directors appointed during the financial year shall retire at the next AGM. Retiring Directors are eligible for re-election. Pursuant to Article 85 of the Company's Constitution, a Managing Director shall not while he continues to hold that office be subject to retirement by rotation and shall not be taken into account in determining the rotation of retirement of Directors.

Since the NC was inquorate after 31 March 2016, the Board recommended that Mr Terence Tea Yeok Kian, who is due for retirement under Article 89 of the Company's Constitution, be nominated for re-election at the forthcoming AGM. In making the recommendation, the Board had considered the Director's overall contribution and performance. Mr Cheong Keng Chuan Alfred was also recommended for re-election at the forthcoming AGM pursuant to Article 88 of the Constitution of the Company. Each director had abstained from making any recommendation and/or participating in any deliberation in respect of the assessment of his own performance or re-nomination as a Director.

All Directors are required to declare their board representations. When a Director has multiple board representations, the NC will consider whether the Director is able to adequately carry out his/her duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. Due to a lack of quorum in the NC following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew, this function was carried out by the Board of Directors. In relation to FY2016, the Board has reviewed and is satisfied that Mr Pao Kiew Tee and Mr Terence Tea Yeok Kian, who sit on multiple boards, have been able to devote sufficient time and attention to the affairs of the Company to adequately discharge their duties as Director of the Company, notwithstanding their multiple board appointments.

Key information regarding the Directors, including their present and past three years' directorship in other listed companies and principal commitments are set out on pages 9 to 10 and below:

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	Current
Terence Tea Yeok Kian	Non-Executive Chairman	30 June 2014	–	WE Holdings Ltd. EG Industries Bhd	Nil	WE Holdings Ltd. WE Components Pte. Ltd. WE Systems Pte. Ltd. WE Microelectronics Pte. Ltd. WE Dragon Resources Pte. Ltd. WE Electronics Industrial Pte. Ltd. WE Resources Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	Current
Pao Kiew Tee	Independent Director	9 June 2009	11 August 2015	Mary Chia Holdings Limited Logistics Holdings Limited Wong Fong Industries Limited ⁽¹⁾	Imperium Crown Ltd.	Nil
Cheong Keng Chuan Alfred	Independent Director	23 June 2016	Not Applicable	C&G Environmental Protection Holdings Ltd China HongXing Sports Ltd DeBao Property Development Ltd	Sinotel Technologies Ltd Cacola Furniture International Limited	Deputy Managing Partner, Crowe Horwath First Trust

⁽¹⁾ This Company has lodged a preliminary offer document with the SGX in relation with its proposed listing on Catalist.

The Board has determined the maximum number of listed company board representations which any Director may hold, as follows:

Maximum number of listed company board representations that an Executive Director can hold concurrently	Maximum number of listed company board representations that a Non-Executive Director can hold concurrently
4	8

There is no alternate Director on the Board.

The NC has an annual Board performance evaluation to assess the effectiveness of the Board Committees and the Board as a whole and a self-assessment and peer-assessment evaluation to assess the contribution of each Director to the effective functioning of the Board by having each Director complete a questionnaire in respect of himself and his peers.

No external facilitator has been engaged to perform the board assessment process. The findings are analysed and discussed with a view to implement any recommendation(s) to enhance the effectiveness of the Board. For FY2016, the Board was of the view that it would not be meaningful to conduct performance evaluation due to the reduction in Board membership, following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew on 31 March 2016.

For FY2016, the Board, in assessing the contribution of each Director, had considered each Director's attendance and participation at Board and Board Committee meetings, his qualification, experience and expertise and the time and effort dedicated to the Group's business and affairs including the Management's access to the Directors for guidance or exchange of views as and when necessary. In assessing the effectiveness of the Board as a whole, both quantitative and qualitative criteria are considered.

The Board Committees were re-constituted recently on 23 June 2016 and their performance was therefore not assessed.

Each director shall abstain, and has abstained in FY2016, from voting on any resolution and making any recommendation and/or participating in respect of matters in which he has an interest.

CORPORATE GOVERNANCE REPORT

Principle 6: Access to Information

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. As such, the Board expects the Management to report the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner.

In exercising its duties, the Board has unrestricted access to the Company's Management, Company Secretary and the external auditors. The Company Secretary or her colleague attends all Board meetings and ensures that all Board procedures are followed. The Company Secretary also ensures that the Company complies with the requirements of the Companies Act, Chapter 50 of Singapore (the "Companies Act") and the Catalist Rules. The appointment and the removal of the Company Secretary are subject to the approval of the Board.

Each Director has the right to seek independent legal and other professional advice as and when necessary to enable him to discharge his responsibilities effectively, the cost of such professional advice will be borne by the Company.

Remuneration Committee

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

During FY2016, the RC comprised the following directors:-

Mr Low Chee Chiew	Independent Director	(Chairman)
Mr Foo Say Tun	Independent Director	(Member) (up to 30 September 2015)
Mr Pao Kiew Tee	Independent Director	(Member)
Mr Terence Tea Yeok Kian	Non-Executive Director	(Member) (from 1 October 2015)

Following the resignation of Mr Foo Say Tun and Mr Low Chee Chiew on 31 March 2016, the RC was re-constituted with effect from 23 June 2016. The RC now comprises the following:

Mr Terence Tea Yeok Kian	Non-Executive Director	(Member)
Mr Pao Kiew Tee	Independent Director	(Member)
Mr Cheong Keng Chuan Alfred	Independent Director	(Member)

The Company currently does not have a RC Chairman as the Company is in the midst of appointing a new director and the Board Committees will be re-constituted in due course.

The key terms of reference of the RC include, to:

- make recommendations to the Board a framework of remuneration for the Board and Key Management Personnel of the Group and the specific remuneration packages for each Director (executive, non-executive and independent) as well as for the Key Management Personnel;
- review the Company's obligations arising in the event of termination of the Executive Directors and Key Management Personnel's contracts of service, to ensure that such clauses are fair and reasonable and not overly generous; and
- consider the disclosure requirements for Directors' and top 5 Key Management Personnel remuneration as required by the Code.

The Directors are not involved in the discussion relating to, and in deciding, their own remuneration.

CORPORATE GOVERNANCE REPORT

Mr Terence Tea Yeok Kian, who was an Executive Director upto 30 September 2015, did not receive any Directors' fee for this period. The remuneration package adopted for him was in accordance with the service contract entered into between him and the Company. During his tenure as an Executive Director, he was paid a basic salary, allowances and performance-related bonus for his contribution. The performance-related bonus was payable based on both qualitative and quantitative performance criteria. Qualitative criteria included leadership skills, people development, commitment and teamwork. Quantitative performance conditions measure the achievement of individual and corporate performance targets such as sales and profitability targets. Following the re-designation of Mr Terence Tea Yeok Kian as Non-Executive Director, the abovementioned remuneration package ceased to be applicable with effect from 1 October 2015.

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors. No remuneration consultants were engaged by the Company during FY2016.

The Independent Directors receive Directors' fees in accordance with their contribution, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain such Independent Directors. Directors' fees are recommended by the Board for approval by the Shareholders at the Company's AGM.

The Group has entered into various letters of employment with all of the Key Management Personnel. Such letters typically provide for the salaries payable to the key executives, their working hours, medical benefits, grounds for termination and certain restrictive covenants.

Having reviewed and considered the variable components of the Executive Director and the Key Management Personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of the remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.

Guideline 9.2 of the Code recommends that companies fully disclose the remuneration of each individual director and the CEO on a named basis.

For confidentiality reasons and prevention of prejudice to the Group's business, the Board has deviated from complying with the above recommendation and provides herein below a breakdown, showing the level and mix of each director's remuneration in bands of \$250,000 for FY2016:-

Name of Director	Remuneration Band	Salary	Bonus	Fringe Benefits	Director's fees ⁽¹⁾	Total remuneration
		%	%	%	%	%
Terence Tea Yeok Kian ⁽²⁾	\$500,000 to \$750,000	19	75	1	5	100
Foo Say Tun ⁽³⁾	Less than \$250,000	0	0	0	100	100
Pao Kiew Tee	Less than \$250,000	0	0	0	100	100
Low Chee Chiew ⁽³⁾	Less than \$250,000	0	0	0	100	100

⁽¹⁾ The Director's fees are approved by shareholders at the Annual General Meeting.

⁽²⁾ Re-designated as Non-Executive Director with effect from 1 October 2015.

⁽³⁾ Resigned on 31 March 2016.

Key Management Personnel

The Company's staff remuneration policy is based on the individual's rank and role, his individual performance, the Company's performance and industry benchmarks gathered from companies in comparable industries.

CORPORATE GOVERNANCE REPORT

Guideline 9.3 of the Code recommends that companies should name and disclose the remuneration of at least the top five key management personnel (who are not directors or the CEO) in bands of S\$250,000. In addition, the companies should disclose in aggregate, the total remuneration paid to the top five key management personnel (who are not directors or the CEO). As best practice, companies are encouraged to fully disclose the remuneration of the said top five key management personnel.

For confidentiality reason and prevention of prejudice to the Group's business, the Board has deviated from complying with the above recommendation. The Company only partially complies with the above recommendation by providing below a breakdown, showing the level and mix of each of the management personnel's remuneration (who are not directors or the CEO) in bands of \$250,000 for FY2016:-

Name of Key Management Personnel	Remuneration Band	Salary	Bonus	Fringe benefits	Total remuneration
		%	%	%	%
Loh Eng Lock Kelvin	Less than \$250,000	85	4	11	100
Lek Suay Tee	Less than \$250,000	90	0	10	100
Kwek Swee Leng Jonathan	Less than \$250,000	72	2	26	100
Woo Wai Kheong Alvin ⁽¹⁾	Less than \$250,000	79	0	21	100
Serene Tea Lay Sin	Less than \$250,000	80	5	15	100

⁽¹⁾ Date of cessation: 29 February 2016

Ms Serene Tea Lay Sin, sister of Mr Terence Tea Yeok Kian, Non-Executive Chairman of the Board of Directors, is an employee of the Company, whose remuneration exceeded S\$50,000 during FY2016. Her remuneration was in the band of S\$50,000 to S\$100,000.

There are no termination, retirement and post-employment benefits that may be granted to the Directors and the Key Management Personnel.

The Company has a share award scheme known as the "Jubilee Share Award Scheme". During FY2016, 5,634,306 share awards were granted by the Company. Information on the Jubilee Share Award Scheme is set out in the Directors' Statement.

Principle 10: Accountability

The Board is accountable to the Shareholders while the Management is accountable to Board.

The Board reviews and approves the half yearly and/or full year financial results announcements as well as any announcements before their release on the SGXNET and the media. Shareholders are provided with the half-yearly and full year results and annual financial reports on a timely manner. In presenting the annual financial statements and half yearly announcements to shareholders, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Company's performance, position and prospects. Financial reports and other price-sensitive information are disseminated to shareholders through announcements via SGXNET, press releases and the Company's website. The Company's Annual Report is accessible on the Company's website.

To ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules, the Board through Management reviews the relevant compliance reports and ensures that Management seeks the Board's approval of such reports or requirements.

In compliance with the Catalist Rules, the Board provides a negative assurance statement to the shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

CORPORATE GOVERNANCE REPORT

Management provides the Board with management accounts and such explanation and information on a timely basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. As the Board has separate and independent access to Management, the Board has no objection to receiving the management accounts with such explanation and information on a quarterly basis.

The Board also provides an opinion on the adequacy and effectiveness of the Group's risk management and that internal controls systems are in place, including financial, operational, compliance and information technology controls.

Principle 11: Risk Management and Internal Controls

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The Audit Committee assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls, including financial, operational, compliance and IT controls and reporting to the Board annually its observations on any matters under its purview including risk management, internal controls or financial and management matters as it considers necessary and makes recommendations to the Board as it thinks fit.

The AC ensures that a review of effectiveness of the Company's internal controls is conducted at least annually. The AC has met with the internal auditors without management during the year.

The Management has taken note of the recommendations made by the internal auditors and the Board would implement necessary procedures and processes to further strengthen the internal controls. The Board is not aware of any material inadequacy in the overall internal controls and processes currently in place.

The Company currently does not have a CEO. The Board has received assurance from the Chief Financial Officer:

- (1) that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (2) regarding the effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the Internal Auditors during the financial year and the assurance from Management, the Board is of the opinion that the system of internal controls and risk management in place as at 31 March 2016 is adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities. Following the resignation of Mr Foo Say Tun on 31 March 2016, the AC comprised only two members. For this reason, the concurrence of the AC in relation to the opinion on system of internal controls and risk management was not sought. The AC was recently re-constituted on 23 June 2016.

The external auditors, during the conduct of their normal audit procedures, may also report on matters relating to internal controls. Any material non-compliance and recommendation for improvement will be reported to the AC.

Principle 12: Audit Committee

Principle 13: Internal Audit

During FY2016, the AC comprised the following Directors:

Mr Pao Kiew Tee	Independent Director	(Chairman)
Mr Foo Say Tun	Non-Executive Director	(Member)
Mr Low Chee Chiew	Independent Director	(Member) (upto 30 September 2015)
Mr Terence Tea Yeok Kian	Non-Executive Director	(Member) (from 1 October 2015)

CORPORATE GOVERNANCE REPORT

Following the resignation of Mr Foo Say Tun on 31 March 2016, the AC was re-constituted with effect from 23 June 2016. The AC now comprises the following members and have, amongst them, accounting, legal, business or related financial management expertise and experience:

Mr Pao Kiew Tee	Independent Director	(Chairman)
Mr Cheong Keng Chuan Alfred	Independent Director	(Member)
Mr Terence Tea Yeok Kian	Non-Executive Director	(Member)

The key terms of reference of the AC are to:-

- (a) review with the external/internal auditors the audit plans, their evaluation of the system of internal accounting controls, and their audit report including the scope and results of the external/internal audit, the independence and objectivity of the external/internal auditors;
- (b) review the financial statements and balance sheet and profit and loss accounts including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval;
- (c) review the internal control procedures, its scope and the results and to ensure co-ordination between the external/internal auditors and the Management; and review the assistance given by Management to the external/internal auditors, and discuss problems and concerns, if any, arising from the interim and final audits;
- (d) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls;
- (e) review the effectiveness of the Company's internal audit function;
- (f) review and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- (g) make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external/internal auditors;
- (h) review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- (i) review potential conflicts of interest, if any;
- (j) undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC; and
- (k) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made from time to time.

The AC also has explicit authority to investigate any matters within its terms of reference, has full access to and cooperation by the Management and has full discretion to invite any Director or executive officer to attend its meetings.

The AC meets the external and internal auditors, without the presence of the Management, at least once a year to review the overall scope and results of external audits, and the assistance given by the Management to the auditors. Following the resignation of Mr Foo Say Tun, AC Chairman Mr Pao Kiew Tee met the external auditors without the presence of Management. The AC has reasonable resources to enable it to discharge its function properly.

Following the resignation of Mr Foo Say Tun, the Board, instead of the AC has reviewed the non-audit services in relation to tax services provided by the external auditors, Nexia TS Public Accounting Corporation, to the Group and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. For the same reason, the Board,

CORPORATE GOVERNANCE REPORT

instead of the AC has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as external auditors at the forthcoming AGM of the Company. The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its external auditors.

The Board recognises the importance of maintaining a system of internal control processes to safeguard Shareholders' investments and the Group's business and assets. The Board notes that no system of internal control could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

The Board is satisfied that the internal audit function has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience.

The internal audit work carried out in FY2016 was guided by the International Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors.

The Whistle Blowing Policy which was endorsed by the AC and adopted on 20 May 2011 encourages employees and external parties to raise concerns, in confidence, about possible irregularities in matters of financial reporting or other matters, to the whistle-blowing officer, Mr Pao Kiew Tee, Chairman of the AC. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurance that they will be protected from reprisals or victimisation for whistle-blowing in good faith within the limits of the law. Details of the whistle blowing policy and procedure for whistle blowing have been made available to all employees of the Group and external parties.

The AC oversees the administration of the Whistle Blowing Policy. Periodic reports will be submitted to the AC stating the number and the complaints received, the results of the investigations, follow-up actions and unresolved complaints. The AC has the responsibility to ensure there is proper maintenance, regular review and relevant updates of the policy. Revisions, amendments and alterations to the Whistle Blowing Policy are subject to the approval of the AC and the Board prior to implementation. Changes will be notified in writing to the employees when they are implemented.

The AC meets regularly with the Management and external and internal auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit program of the Group to ensure that an effective system of control is maintained in the Group to align it to the changing needs and risk profile of the Group's activities. On a half-yearly basis, the AC also reviews the interested person transactions and the financial results announcement before their submission to the Board for approval. The AC is kept abreast by the Management, the external auditors, the company secretary of changes to accounting standards, Catalist Rules and other regulations which would have an impact on the Group's business and financial statements.

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

The Group's corporate governance culture and awareness promotes fair and equitable treatment of all Shareholders. All Shareholders enjoy specific rights under the Companies Act and the Constitution of the Company. All Shareholders are treated fairly and equitably.

The Group respects the equal information rights of all shareholders and is committed to the practice of fair, transparent and timely disclosure.

Shareholders are given the opportunity to participate effectively and vote at general meetings of the Company. At general meetings, Shareholders will be informed of the rules and voting procedures relating to the general meetings.

The Board is mindful of the obligation to provide regular, effective and fair communication with the Shareholders. Information is communicated to the Shareholders on a timely basis. The Company's Annual Report is sent to all Shareholders, is available to other investors on request and is accessible at the Company's website.

CORPORATE GOVERNANCE REPORT

The Board welcomes the views of Shareholders on matters affecting the Company, whether at Shareholders' meetings or on an ad-hoc basis. Shareholders are informed of Shareholders' meetings through notices published in the newspapers and reports and/or circulars sent to all Shareholders.

The Chairmen of the Board Committees will be available at the meeting to answer questions relating to the work of the Board Committees. The external auditors will also be present to assist the Directors in addressing any relevant queries by Shareholders.

Dividend Policy

The Company currently does not have a fixed dividend policy. The declaration and payment of future dividends will depend upon the factors outlined below as well as any other factors deemed relevant by the Directors:

- (a) the Group's operating results;
- (b) financial conditions;
- (c) the Group's projected level of capital expenditure and other investment plans;
- (d) restrictions on payment of dividends imposed on the Company by the Company's financing arrangements (if any); and
- (e) dividend yields of comparable companies (if any) listed in Singapore.

The Company does not propose any dividend payment as the Company did not have profits available for distribution for FY2016.

Principle 16: Conduct of Shareholder Meetings

All Shareholders receive reports or circulars of the Company including notice of general meeting by post within the mandatory period. Notice of general meeting is announced through SGXNET and published in the newspapers within the same period.

All registered Shareholders are invited to participate and given the right to vote on resolutions at general meetings. Every matter requiring Shareholders' approval is proposed as a separate resolution. Each item of special business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolution. Proxy form is sent with notice of general meeting to all Shareholders. Separate resolutions are proposed for substantially separate issues at the meeting.

The Constitution of the Company allows members of the Company to appoint not more than two proxies to attend and vote on their behalf. As the authentication of shareholder identity information and other related security issues still remain a concern, the Company has decided, for the time being, not to implement voting in absentia by mail, email or fax.

All Directors, Management, Company Secretary, external auditors and legal advisors (if necessary), attend the general meeting. The procedures of general meetings provide shareholders the opportunity to ask questions relating to each resolution tabled for approval and open communication are encouraged by the shareholders with the Directors on their views on matters relating to the Group and its operations. To enhance shareholder participation, the Company puts all resolutions at general meetings to vote by poll and announces the results by showing the number of votes cast for and against each resolution and the respective percentage to the audience at the general meetings. The polling results are also announced via SGXNET after the meetings.

The Company with the help of the Company Secretary prepares minutes of general meetings that include substantial and relevant comments relating to the agenda of the meetings and responses from the Board and Management and such minutes, where relevant will be made available to shareholders upon their request.

CORPORATE GOVERNANCE REPORT

Dealings In Securities

The Company has adopted its own internal compliance code and the best practices guide in line with Rule 1204(19) of the Catalyst Rules with regards to dealing in the Company's securities by the Directors and officers. The Company, Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited from dealing in the Company's securities during the periods commencing one month before the half-year and full-year financial results and ending on the day of the announcement, or when they are in possession of unpublished price-sensitive information on the Group. In addition, Directors, Management and officers of the Group are also discouraged from dealing in the Company's shares on short-term considerations.

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported to the AC in a timely manner and that the transactions are carried out on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders.

The Board and the AC will review all interested person transactions to be entered to ensure that the relevant rules under Chapter 9 of the Catalyst Rules are complied with.

The aggregate value of interested person transactions entered into during the financial year under review is as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
WE Holdings Ltd.	S\$560,000	–

MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiaries involving the interests of any Director or controlling shareholders which are either still subsisting as at 31 March 2016 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

No non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte. Ltd. in FY2016. The Company paid an aggregate of approximately (i) S\$6,560.54 to RHT Capital's affiliate, RHTLaw TaylorWessing LLP, for legal services rendered to the Company for FY2016 and (ii) S\$31,242.99 for corporate secretarial services rendered to the Group in FY2016.

AUDIT/NON-AUDIT FEES

As at 31 March 2016, the Company has S\$125,407 payable to Nexia TS Public Accounting Corporation for its statutory audit services and S\$46,833 for the non-audit services of provided by Nexia TS Tax Services Pte. Ltd. for the financial year under review.

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2016 and the balance sheet of the Company as at 31 March 2016.

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 33 to 92 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 March 2016 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Terence Tea Yeok Kian
 Pao Kiew Tee
 Cheong Keng Chuan Alfred (appointed on 23 June 2016)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangements whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporation, except as follows:

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 31 March 2016	As at 1 April 2015	As at 31 March 2016	As at 1 April 2015
The Company				
<u>(Numbers of ordinary shares)</u>				
Terence Tea Yeok Kian	–	–	18,952,468	6,213,903

Terence Tea Yeok Kian, who by virtue of his interest if not less than 20% of the issued capital of the Company, is deemed to have interests in the shares of all subsidiary corporations, which is derived through shares held by WE Holdings Ltd. and through shares held by his wife in WE Holdings Ltd.

The directors' interests in the ordinary shares of the Company as at 21 April 2016 were the same as those as at 31 March 2016.

DIRECTORS' STATEMENT

Performance shares

Jubilee Share Award Scheme ("JSAS")

The Jubilee Share Award Scheme (the "Scheme") for key management personnel and employees of the Group was approved by members of the Company at an Extraordinary General Meeting on 21 November 2014.

The Scheme is designed to provide an opportunity for employees and certain directors to participate in the equity of the Company so as to motivate them to greater dedication, loyalty and higher standards of performance, and to give recognition to those who have contributed to the success and development of the Group. As at the date of this report, there were no outstanding options exercisable arising from the Scheme.

On 9 September 2015, the Company awarded the following shares under JSAS and these shares were issued on 10 September 2015.

Name of Awardees	No. of shares awarded
Directors of the Company	
Foo Say Tun (resigned on 31 March 2016)	829,000
Pao Kiew Tee	788,000
Low Chee Chiew (resigned on 31 March 2016)	579,000
Tan Soon Liang (resigned on 10 July 2014)	278,000
Ong Kang Lin (resigned on 10 July 2014)	521,000
Key executives of the Group	
Alvin Woo (resigned on 29 February 2016)	1,221,000
Jonathan Kwek	975,333
Lek Suay Tee	220,000
Others	222,973
	<u>5,634,306</u>

The market price at the time of awarding the above shares is S\$0.03.

Share options

During the financial year, there were:

- (i) no options granted to subscribe for unissued shares of the Company or its subsidiary corporations; and
- (ii) no shares issued by virtue of any exercise of options to take up unissued shares of the Company or its subsidiary corporations.

At the end of the financial year, there were no unissued shares of the Company under option.

DIRECTORS' STATEMENT

Audit Committee ("AC")

The members of the AC at the end of the financial year were as follows:

Pao Kiew Tee (Chairman)
Terence Tea Yeok Kian
Cheong Keng Chuan Alfred (appointed on 23 June 2016)

As at the date of this statement, the AC comprises all non-executive directors, which are all independent, except for Mr Terence Tea Yeok Kian who has deemed interest which is derived through shares held by WE Holdings Ltd. and through shares held by his wife in WE Holdings Ltd..

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act. In performing those functions, the AC carried out the following:

- Reviewing the scope and the results of audit undertaken by the independent auditor to ensure that there is a balance between maintenance of their objectivity and cost effectiveness;
- Reviewing the internal audit plans, the scope and results of internal audit procedures with the internal auditor;
- Reviewing with internal auditors the effectiveness of the Group's material internal controls, including financial operational and compliance controls and risk management;
- Reviewing the financial statements and other announcements to Shareholders and the SGX-ST, prior to submission to the Board;
- Conducting investigation into any matter within the AC's scope of responsibility and review any significant findings of investigations;
- Assessing the independence and objectivity of the independent auditor;
- Recommending to the Board on the appointment and re-appointment of independent auditor;
- Reviewing the assistance given by the Company's officers to the independent auditor; and
- Reviewing transactions falling within the scope of Chapter 9 of the Catalist Rules.

The AC also has explicit authority to investigate any matters within its term of reference, full access to and cooperation by management and full discretion to invite any director or executive officer to attend its meetings and reasonable resources to enable it to discharge its functions properly.

In performing its functions, the AC meets the independent auditor and internal auditors, without the presence of the management, at least once a year to review the overall scope of both internal and independent audits, and the assistance given by the management to the auditors. The AC has reasonable resources to enable it to discharge its functions properly.

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Nexia TS Public Accounting Corporation, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

DIRECTORS' STATEMENT

Independent Auditor

The independent auditor, Nexia TS Public Accounting Corporation, has expressed its willingness to accept re-appointment.

On behalf of the directors

Terence Tea Yeok Kian

Director

30 June 2016

Pao Kiew Tee

Director

INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilee Industries Holdings Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of Jubilee Industries Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group") set out on pages 33 to 92, which comprise the consolidated balance sheet of the Group and balance sheet of the Company as at 31 March 2016, the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at 31 March 2016, and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Director in-charge: Loh Ji Kin
Appointed since financial year ended 31 March 2016

Singapore
30 June 2016

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2016

	Note	Group	
		For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Revenue	4	84,592	35,088
Cost of sales		(81,134)	(36,687)
Gross profit/(loss)		3,458	(1,599)
Other income	5	468	799
Other losses - net	6	(15,033)	(165)
Expenses			
- Distribution and marketing		(1,125)	(1,045)
- Administrative		(11,200)	(7,449)
- Finance	9	(338)	8
Share of profit of associated company	19	1,953	9,935
(Loss)/profit before income tax		(21,817)	484
Income tax (expense)/credit	10(a)	(407)	3
Net (loss)/profit attributable to equity holders of the Company		(22,224)	487
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Share of other comprehensive income/(loss) of associated company	19	1,076	(1,228)
- Currency translation differences arising from consolidation	29	984	(40)
Other comprehensive income/(losses), net of tax		2,060	(1,268)
Total comprehensive losses attributable to equity holders of the Company		(20,164)	(781)
(Loss)/earnings per share attributable to equity holders of the Company (cents per share)			
- Basic/diluted	11	(6.46)	0.18

The accompanying notes are an integral part of these financial statements

BALANCE SHEETS

As at 31 March 2016

		Group		Company	
	Note	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	1,092	4,056	15	397
Financial assets, at fair value through profit or loss	13	33	33	–	–
Trade and other receivables	14	17,812	3,430	546	15
Inventories	15	6,950	9,755	–	–
Other current assets	16	523	304	20	6
		26,410	17,578	581	418
Non-current assets classified as held-for-sale	17	7,300	7,300	–	–
		33,710	24,878	581	418
Non-current assets					
Investments in subsidiary corporations	18	–	–	35,697	39,692
Investment in associated company	19	7,847	17,663	9,722	8,956
Investment property	20	–	2,180	–	–
Property, plant and equipment	21	3,125	4,427	–	1
Intangible assets	22	346	2,754	135	188
		11,318	27,024	45,554	48,837
Total assets		45,028	51,902	46,135	49,255
LIABILITIES					
Current liabilities					
Trade and other payables	23	25,350	11,812	13,789	11,564
Current income tax liabilities	10(b)	101	2	–	–
Borrowings	24	294	785	–	–
		25,745	12,599	13,789	11,564
Non-current liabilities					
Borrowings	24	26	51	–	–
Total liabilities		25,771	12,650	13,789	11,564
NET ASSETS		19,257	39,252	32,346	37,691
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	48,932	48,763	48,932	48,763
Treasury shares	26	(736)	(736)	(736)	(736)
Statutory reserve	27	2,257	2,257	–	–
Capital reserve	28	(142)	(142)	(142)	(142)
Other reserves	29	616	(1,444)	–	–
Accumulated losses	30	(31,670)	(9,446)	(15,708)	(10,194)
TOTAL EQUITY		19,257	39,252	32,346	37,691

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF **CHANGES IN EQUITY**

For the financial period ended 31 March 2016

← Attributable to equity holders of the Company →								
	Note	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Total S\$'000
31 March 2016								
Beginning of financial year		48,763	(736)	(9,446)	(1,444)	2,257	(142)	39,252
Total comprehensive loss for the financial year		–	–	(22,224)	2,060	–	–	(20,164)
Issue of new shares	26	169	–	–	–	–	–	169
End of financial year		48,932	(736)	(31,670)	616	2,257	(142)	19,257
31 March 2015								
Beginning of financial period		42,818	–	(8,609)	(176)	933	(142)	34,824
Total comprehensive loss for the financial period		–	–	487	(1,268)	–	–	(781)
Issue of new shares	26	6,368	–	–	–	–	–	6,368
Purchase of treasury shares	26	–	(736)	–	–	–	–	(736)
Share issue expenses	26	(423)	–	–	–	–	–	(423)
Transfer to statutory reserve	27	–	–	(1,324)	–	1,324	–	–
End of financial period		48,763	(736)	(9,446)	(1,444)	2,257	(142)	39,252

Treasury share, other reserves, statutory reserve and capital reserve are non-distributable.

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

		Group	
		For the financial year from 1 April 2015 to 31 March 2016 (12 months)	For the financial period from 1 January 2014 to 31 March 2015 (15 months)
	Note	S\$'000	S\$'000
Cash flows from operating activities			
Net (loss)/profit		(22,224)	487
Adjustment for:			
- Income tax expense/(credit)	10(a)	407	(3)
- Amortisation, depreciation and impairment	7	4,034	2,776
- (Gain)/loss on disposal of property, plant and equipment	6	(439)	229
- Loss on disposal of investment property	6	151	–
- Share of profit of associated company	19	(1,953)	(9,935)
- Loss on dilution of investment in associated company	6	13,611	–
- Employee share award	26	169	–
- Interest income	5	(27)	(235)
- Interest expense	9	338	(8)
- Unrealised currency translation losses		1,457	14
		(4,476)	(6,675)
Changes in working capital:			
- Trade and other receivables		(14,382)	2,953
- Inventories		2,805	403
- Financial assets, at fair value through profit or loss		–	16
- Other current assets		(219)	134
- Trade and other payables		13,538	(4,733)
Cash used in operations		(2,734)	(7,902)
Income tax (paid)/refund	10(b)	(285)	5
Net cash used in operating activities		(3,019)	(7,897)
Cash flows from investing activities			
Acquisition of a subsidiary corporation		–	(9,156)
Additions to intangible assets	22(b)	(57)	(279)
Additions to investment in associated company	19	(766)	(8,956)
Additions to property, plant and equipment	21	(262)	(214)
Disposal of investment property		1,753	–
Disposal of property, plant and equipment		292	377
Interest received		27	235
Net cash provided by/(used in) investing activities		987	(17,993)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2016

		Group	
		For the financial year from 1 April 2015 to 31 March 2016 (12 months)	For the financial period from 1 January 2014 to 31 March 2015 (15 months)
	Note	S\$'000	S\$'000
Cash flows from financing activities			
Proceeds from issuance of ordinary shares	26	–	6,368
Shares issue expense	26	–	(423)
Purchase of treasury shares	26	–	(736)
Repayment of borrowings		(458)	(8,700)
Repayment of finance lease liabilities		(58)	(217)
Interest paid		(338)	(174)
Short-term bank deposits discharged		–	12,640
Net cash (used in)/provided by financing activities		(854)	8,758
Net decrease in cash and cash equivalents		(2,886)	(17,132)
Cash and cash equivalents			
Beginning of financial year/period		3,851	20,885
Effect of currency translation on cash and cash equivalents		(78)	98
End of financial year/period	12	887	3,851

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

The financial statements of the Company for the financial year ended 31 March 2016 were authorised for issue in accordance with resolution of the directors on 30 June 2016.

1 Corporate information

Jubilee Industries Holdings Ltd. (the “Company”) is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”) and incorporated and domiciled in Singapore. The address of its registered office is at 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96, Singapore 408564.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiary corporations are disclosed in Note 18.

During the previous financial period, the Group and the Company changed its financial year end from 31 December 2014 to 31 March 2015. Accordingly, the comparative figures for the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows and the related notes are for fifteen months from 1 January 2014 to 31 March 2015.

2 Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”) under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2016

On 1 April 2015, the Group adopted the new or amended FRS and Interpretations of FRS (“INT FRS”) that are mandatory for application for the financial year. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to accounting policies of the Group and of the Company and had no material effect on the amounts reported for the current or prior financial year/period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition

Sales comprise the fair value of the consideration received or receivable for the sale of goods and revenue from fabrication of moulds and tools in the ordinary course of the Group's activities. Revenue is presented, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, when it is probable that the collectability of the related receivables is reasonably assured and when the specific criteria for each of the Group's activities are met as follows:

(a) *Sale of goods*

Revenue from sale of goods is recognised when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

(b) *Revenue from fabrication of moulds and tools*

Revenue from the fabrication of moulds and tools is recognised as work progresses and approved by customers. Material, labour and overhead cost incurred relating to the fabrication of moulds and tools which are recognised as work progress are deferred and classified as "work-in-progress" in "inventories" until the revenue is recognised.

(c) *Commission income*

Commission income is recognised when services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.4 Group accounting

(a) *Subsidiary Corporations*

(i) *Consolidation*

Subsidiary corporations are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiary corporations are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on that control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiary corporations have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests comprises the portion of a subsidiary corporation's net results of operations and its net assets, which is attributable to the interests that are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary corporation, even if this results in the non-controlling interests having a deficit balance.

(ii) *Acquisitions*

The acquisition method of accounting is used to account for business combinations entered into by the Group.

The consideration transferred for the acquisition of a subsidiary corporation or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes contingent consideration arrangement and any pre-existing equity interest in the subsidiary corporation measured at their fair values at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

The excess of (a) the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the (b) fair value of the identifiable net assets acquired is recorded as goodwill. Please refer to the paragraph "Intangible assets – Goodwill" for the subsequent accounting policy on goodwill.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary corporations (continued)*

(iii) *Disposals*

When a change in the Group ownership interest in a subsidiary corporation results in a loss of control over the subsidiary corporation, the assets and liabilities of the subsidiary corporation including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated company" for the accounting policy on investments in subsidiary corporations in the separate financial statements of the Company.

(iv) *Transactions with non-controlling interests*

Changes in the Group's ownership interest in a subsidiary corporation that do not result in a loss of control over the subsidiary corporation are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(b) *Associated company*

Associated company is entity over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%.

Investment in associated company is accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

(i) *Acquisitions*

Investment in associated company is initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated company represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investment. When the Group's share of the fair value of the identifiable net assets of the associated company exceeds the cost of acquisition paid by the Group, the excess is recognised in profit or loss as part of the share of profit from associated company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(b) *Associated company (continued)*

(ii) *Equity method of accounting*

In applying the equity method of accounting, the Group's share of its associated company's post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated company is adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has legal or constructive obligations to make, or has made, payments on behalf of the associated company. If the associated company subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

Unrealised gains on transactions between the Group and its associated company is eliminated to the extent of the Group's interest in the associated company. Unrealised losses are also eliminated unless the transactions provide evidence of impairment of the assets transferred. The accounting policies of associated company is changed where necessary to ensure consistency with the accounting policies adopted by the Group.

(iii) *Disposals*

Investments in associated company is derecognised when the Group loses significant influence or joint control. If the retained equity interest in the former associated company is a financial asset, the retained equity interest is measured at fair value. The differences between the carrying amount of the retained interest at the date when significant influence or joint control is lost, and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

Please refer to the paragraph "Investments in subsidiary corporations and associated company" for the accounting policy on investment in associated company in the separate financial statements of the Company.

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

(ii) *Components of costs*

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful Lives</u>
Plant and machinery	5 - 10 years
Motor vehicles	5 years
Office equipment and tools	5 years
Furniture and electrical fittings	5 years
Renovations	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

2.6 Intangible assets

(a) Goodwill on acquisitions

Goodwill on acquisitions of subsidiary corporations and businesses on or after 1 January 2010 represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired.

Goodwill on acquisition of subsidiary corporations and businesses prior to 1 January 2010 and on acquisition of associated company represents the excess of the cost of the acquisition over the fair value of the Group's share of the identifiable net assets acquired.

Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated company is included in the carrying amount of the investments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(a) *Goodwill on acquisitions (continued)*

Gains and losses on the disposal of subsidiary corporations and associated company include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to the 1 January 2001. Such goodwill was adjusted against retained profits in the year of acquisition and is not recognised in profit or loss on disposal.

(b) *Acquired computer software licenses*

Acquired computer software licenses are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable cost of preparing the asset for its intended use. Direct expenditure including employee costs, which enhances or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are recognised as an expense when incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of five years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2.7 Borrowing costs

Borrowing costs are recognised in profit or loss using the effective interest method.

2.8 Investment property

Investment property comprise freehold factory that are held for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 33 years. The residual values, useful lives and depreciation method of Investment property are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. The cost of maintenance, repairs and minor improvements are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

2.9 Investments in subsidiary corporations and associated company

Investments in subsidiary corporations and associated company are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.10 Impairment of non-financial assets

(a) *Goodwill*

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating units ("CGU") expected to benefit from synergies arising from the business combination.

As impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. The recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

(b) *Property, plant and equipment*

Intangible assets

Investment property

Investments in subsidiary corporations and associated company

Property, plant and equipment, intangible assets, investment property and investment in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of these assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.11 Financial assets

(a) *Classification*

The Group classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) *Financial assets at fair value through profit or loss*

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss through inception. A financial asset is classified as held for trading if it is acquired principally for the purpose of selling in the short term. Financial assets designated as at fair value through profit or loss at inception are those that are managed and their performances are evaluated on a fair value basis, in accordance with a documented Group investment strategy. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those expected to be realised later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" (Note 14) and "cash and cash equivalents" (Note 12) on the balance sheet.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group continues to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sales proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash flow received from the financial institution is recorded as borrowings.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately as expenses.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.11 Financial assets (continued)

(d) *Subsequent measurement*

Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The impairment allowance is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.12 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.13 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiary corporations. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiary corporations fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to profit or loss over the period of the subsidiary corporations' borrowings, unless it is probable that the Company will reimburse the banks for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the banks in the Company's balance sheet.

Intra-group transactions are eliminated on consolidation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.14 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

2.15 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently carried at amortised cost using the effective interest method.

2.16 Fair value estimation of financial assets and liabilities

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets are the current bid prices; the appropriate quoted market prices used for financial liabilities are the current asking prices.

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.17 Leases

When the Group is the lessee:

The Group leases certain property, plant and equipment under finance leases and offices, warehouses and worksite premises under operating leases from non-related parties.

(a) *Lessee - Finance leases*

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.17 Leases (continued)

(b) *Lessee - Operating leases*

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentive received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

2.18 Inventories

Inventories are carried at the lower of cost and net realisable value.

- (i) Cost of raw materials are determined using the weighted average basis; and
- (ii) Cost of finished goods and work-in-progress are determined on a specific identification basis. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost of completion and applicable variable selling expenses.

2.19 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiary corporations and associated company, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.19 Income taxes (continued)

Deferred income tax is measured:

- (i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in profit or loss.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred tax asset is recognised for unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax credit can be utilised.

2.20 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

A provision is made using best estimate of the amount recognised in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

2.21 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(b) *Pension benefits*

The Group is required to provide certain staff pension benefits to their employees under existing PRC regulations. Pension contributions are provided at rates stipulated by PRC regulations and are contributed to a pension fund managed by government agencies, which are responsible for administering these amounts for the subsidiary corporations' employees. The Group has no further payment obligations once the contributions have been paid. Pension contributions are recognised as expenses in the period in which the related services are performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.21 Employee compensation (continued)

(c) *Share-based compensation*

The Group operates an equity-settled, share-based compensation plan. The value of the employee services received in exchange for the grant of options is recognised as an expense with a corresponding increase in the share option reserve over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of the grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on the vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on the vesting date and recognises the impact of the revision of the estimates in profit or loss, with a corresponding adjustment to the share option reserve over the remaining vesting period.

When the options are exercised, the proceeds received (net of transaction costs) and the related balance previously recognised in the share option reserve are credited to share capital account, when new ordinary shares are issued, or to the "treasury shares" account, when treasury shares are re-issued to the employees.

2.22 Currency translation

(a) *Functional and presentation currency*

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and have been rounded to the nearest thousand.

(b) *Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When a foreign operation is disposed of or any borrowings forming part of the net investment of the foreign operation is repaid, a proportionate share of the accumulated translation differences is reclassified to profit or loss, as part of the gain or loss on disposal.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement within "finance expenses". All other foreign exchange gains and losses impacting profit or loss are presented in the income statement within "Other losses - net".

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.22 Currency translation (continued)

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in currency translation reserve. These currency translation differences are reclassified to profit or loss disposal or partial disposal of the entity giving rise to such reserves.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.24 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet. For cash subjected to restriction, assessment is made on the economic substance of the restriction and whether they meet the definition of cash and cash equivalents.

2.25 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

2 Summary of significant accounting policies (continued)

2.26 Dividends to Company's shareholders

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

2.27 Non-current assets held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

- (a) represents a separate major line of business or geographical area of operations;
- (b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or
- (c) is a subsidiary corporation acquired exclusively with a view to resale.

3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) *Impairment of loans and receivables*

Management reviews its loans and receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recognised in profit or loss. The carrying amounts of trade and other receivables at the balance sheet date are disclosed in Note 14.

If the net present values of estimated cash flows had been higher/lower by 10% from management's estimates for all past due loans and receivables, the allowance for impairment of the Group would have been lower/higher by \$821,300 (2015: \$267,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3 Critical accounting estimates, assumptions and judgements (continued)

(b) *Uncertain tax positions*

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax provisions in the financial period in which such determination is made. The carrying amounts of the Group current income tax liabilities at balance sheet date were \$101,000 (2015: \$2,000).

Deferred tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses and capital allowances carried forward amounted to \$17,135,000 (2015: \$12,057,000) and \$2,651,000 (2015: \$1,911,000) respectively at the balance sheet date. These losses and capital allowances relate to subsidiary corporations that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiary corporations have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses and capital allowances as deferred tax assets. If the Group was able to recognise all unrecognised deferred tax assets, profit would increase by \$4,039,000 (2015: \$2,796,000).

(c) *Useful lives of property, plant and machinery*

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The net book value of the Group's property, plant and equipment as at 31 March 2016 is \$3,125,000 (2015: \$4,427,000) and annual depreciation charge for the financial year ended 31 March 2016 is \$1,496,000 (2015: \$2,552,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of the property, plant and equipment are longer or shorter than the management's estimate by one year on average, the Group's annual depreciation charge will be reduced by \$152,000 (2015: \$225,600) and increased by \$388,000 (2015: \$462,600) respectively.

(d) *Estimated impairment of non-financial assets*

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investments in subsidiary corporations and associated company are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, CGU, have been determined based on higher of the fair value less costs to sell or value-in-use calculations. If the carrying amounts exceed the recoverable amounts, an impairment loss is recognised to profit or loss for the differences.

Impairment of property, plant and equipment

The recoverable amounts of property, plant and equipment has been determined based on value-in-use. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. The carrying amounts of property, plant and equipment amounts to \$3,125,000 (2015: \$4,427,000). If the value-in-use calculation had been 10% lower than management's estimates, there would be no impact to the allowance for impairment of property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

3 Critical accounting estimates, assumptions and judgements (continued)

(d) *Estimated impairment of non-financial assets (continued)*

Impairment of goodwill and investment in subsidiary corporations.

The recoverable amount of goodwill and investment in subsidiary corporations has been determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. An impairment charge of \$2,332,000 (2015: \$Nil) and \$3,995,000 (2015: \$Nil) arose in the electronics components distribution CGU for goodwill and investment in subsidiary corporation respectively, which fully impaired the goodwill and reduced the carrying amount of goodwill investment in subsidiary corporations allocated to the electronics components distribution CGU from \$16,456,000 to \$12,461,000. If the value-in-use calculation for this CGU had been 10% lower than management's estimates at 31 March 2016, the Company would have recognised a further impairment charge on investment in subsidiary corporations of \$516,115.

The carrying amounts of investments in subsidiary corporations and associated company, investment property, property, plant and equipment and intangible assets are disclosed in Note 18, Note 19, Note 20, Note 21 and Note 22 respectively.

4 Revenue

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Provision of precision plastic injection moulding services ("PPIM")	9,854	13,845
Design, fabrication and sale of precision plastic injection moulds ("MDF")	2,899	10,344
Electronic components distribution	71,839	10,899
	<u>84,592</u>	<u>35,088</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

5 Other income

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Interest income – bank deposits	27	235
Sales of scrap and other materials	73	266
Government grants	198	38
Others	170	260
	<u>468</u>	<u>799</u>

6 Other losses - net

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Fair value loss from financial assets, at fair value through profit or loss	–	(16)
Loss on dilution of investment in associated company	(13,611)	–
Sale of rights issued by associated company	155	–
Gain/(loss) on disposal of property, plant and equipment	439	(229)
Loss on disposal of investment property	(151)	–
Currency translation (loss)/gain - net	(1,861)	171
Others	(4)	(91)
	<u>(15,033)</u>	<u>(165)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

7 Expenses by nature

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Fees on audit services paid/payable to:		
- Auditor of the Company	125	97
- Other auditors*	80	33
Fees on non-audit services paid/payable to auditor of the Company	47	18
Purchase of inventories	69,368	20,308
Amortisation of intangible assets (Note 22(b))	128	135
Depreciation of investment property (Note 20)	78	143
Reversal of impairment of property, plant and equipment (Note 21)	–	(54)
Impairment loss on goodwill (Note 22 (a))	2,332	–
Depreciation of property, plant and equipment (Note 21)	1,496	2,552
Total amortisation, impairment and depreciation	4,034	2,776
Allowance for impairment of trade receivables written back (Note 34(b)(i))	–	(59)
Allowance for impairment of trade receivables (Note 34(b)(ii))	35	170
Allowance for impairment of other receivables (Note 34(b)(iii))	287	–
Bad debts written off	45	–
Employee compensation (Note 8)	9,525	10,572
Freight charges	846	366
Rental expenses on operating leases	1,414	765
Travelling, transportation and entertainment	667	351
Utilities	1,015	1,518
Workshop, repair and maintenance	686	937
Packing materials	152	287
Professional fees	301	516
Inventory write-down/(write-back)	12	(400)
Other expenses	2,108	4,447
Changes in inventories	2,712	2,479
Total cost of sales, administrative expenses, selling and distribution expenses	93,459	45,181

* Includes the network of member firms of Nexia International.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

8 Employee compensation

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Wages and salaries	8,170	8,850
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	922	927
Other short-term benefits	433	795
	<u>9,525</u>	<u>10,572</u>

9 Finance expenses

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Interest expense:		
- Bank overdrafts	–	3
- Bank borrowings	331	133
- Finance lease liabilities	7	16
Currency translation gains - net	–	(160)
	<u>338</u>	<u>(8)</u>

10 Income tax expense/(credit)

(a) Income tax expense/(credit)

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Tax expense/(credit) attributable to profit is made up of:		
Profit/(loss) for the financial period/year:		
Current income tax - Foreign	2	1
Over/(under) provision in prior financial years:		
Current income tax - Foreign	405	(4)
	<u>407</u>	<u>(3)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

10 Income tax expense/(credit) (continued)

The tax on the Group's (loss)/profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
(Loss)/profit before income tax	(21,817)	484
Share of profit of associated company, net of tax	(1,953)	(9,935)
Loss before tax and share of profit of associated company	(23,770)	(9,451)
Tax calculated at tax rate of 17% (2015: 17%)	(4,041)	(1,607)
Effects of:		
- Different tax rate in other countries	(387)	(402)
- Expenses not deductible for tax purposes	3,315	1,706
- Income not subject to tax	(132)	(80)
- Utilisation of previously unrecognised capital allowances	–	(305)
- Deferred tax assets not recognised	1,244	692
- Others	3	(3)
	2	1

Deferred income tax assets are recognised for tax losses and capital allowances carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses and capital allowances of approximately \$17,135,000 (2015: \$12,057,000) and \$2,651,000 (2015: \$1,911,000) respectively at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those companies with unrecognised tax losses and capital allowances in their respective countries of incorporation. The tax losses and capital allowances have no expiry date except for tax losses amounted to approximately \$4,671,000 (2015: \$2,417,000) which will expire in 5 years.

The tax (charge)/credit relating to each component of other comprehensive income is as follows:

	31 March 2016			31 March 2015		
	Before tax S\$'000	Tax charge S\$'000	After tax S\$'000	Before tax S\$'000	Tax charge S\$'000	After tax S\$'000
<u>Group</u>						
Currency translation differences arising from consolidation	984	–	984	(40)	–	(40)
Share of other comprehensive income/(loss) of associated company	1,076	–	1,076	(1,228)	–	(1,228)
Other comprehensive income/(loss)	2,060	–	2,060	(1,268)	–	(1,268)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

10 Income tax expense/(credit) (continued)

(b) Movement in current income tax liabilities

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial year	2	–	–	–
Currency translation difference	(23)	–	–	–
Income tax (paid)/refunded	(285)	5	–	–
Tax expense/(credit)	407	(3)	–	–
	101	2	–	–

11 (Loss)/earnings per share

Basic (loss)/earnings per share is calculated by dividing the net (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year/period.

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Net (loss)/profit attributable to equity holders of the Company	(22,224)	487
Weighted average number of ordinary shares outstanding for basic (loss)/earnings per share	344,150	269,954
Basic/diluted (loss)/earnings per share (cents per share)	(6.46)	0.18

There are no dilutive potential ordinary shares during the financial year.

12 Cash and cash equivalents

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Cash at bank and on hand	887	3,851	15	397
Short-term bank deposits	205	205	–	–
	1,092	4,056	15	397

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

12 Cash and cash equivalents (continued)

For the purpose of presenting the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	Group	
	2016	2015
	S\$'000	S\$'000
Cash and cash equivalent (as above)	1,092	4,056
Less: Bank deposits pledged (Note 24)	(205)	(205)
Cash and cash equivalents per consolidated statement of cash flows	<u>887</u>	<u>3,851</u>

Bank deposits are pledged in relation to the security granted for certain borrowings (Note 24).

13 Financial assets, at fair value through profit or loss

	Group	
	2016	2015
	S\$'000	S\$'000
<i>Held for trading</i>		
Quoted equity securities - Singapore	<u>33</u>	<u>33</u>

14 Trade and other receivables

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Trade receivables – non-related parties	15,635	3,502	–	–
Less: Allowance for impairment of trade receivables – (Note 34(b)(i))	(44)	(170)	–	–
Trade receivables – net	<u>15,591</u>	<u>3,332</u>	<u>–</u>	<u>–</u>
Advances to suppliers	554	35	–	–
Other receivables				
- non-related parties	800	63	4	3
- subsidiary corporations	–	–	542	12
- related parties	1,154	–	–	–
	<u>1,954</u>	<u>63</u>	<u>546</u>	<u>15</u>
Less: Allowance for impairment other receivable (34(b)(ii))	(287)	–	–	–
Other receivables - net	<u>1,667</u>	<u>63</u>	<u>546</u>	<u>15</u>
	<u>17,812</u>	<u>3,430</u>	<u>546</u>	<u>15</u>

The non-trade amounts due from subsidiary corporations and related parties are unsecured, interest-free and are repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

15 Inventories

	Group	
	2016	2015
	S\$'000	S\$'000
Raw materials	436	175
Work-in-progress	315	706
Finished goods	739	410
Trading goods	5,460	8,464
	<u>6,950</u>	<u>9,755</u>

The cost of inventories recognised as an expense and included in "cost of sales" amounted to \$72,080,000 (2015: \$22,787,000).

16 Other current assets

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Deposits	406	134	–	–
Prepayments	117	170	20	6
	<u>523</u>	<u>304</u>	<u>20</u>	<u>6</u>

17 Non-current assets classified as held-for-sale

	Group	
	2016	2015
	S\$'000	S\$'000
Beginning of financial year/period	7,300	592
Additions	–	7,300
Disposals	–	(592)
End of financial year/period	<u>7,300</u>	<u>7,300</u>

The acquisition of WE Components Pte. Ltd. ("WEC") and its subsidiary corporations ("WEC Group") from WE Holdings Ltd. ("Vendor") was completed on 31 January 2015. The acquisition excluded the sale of properties ("Excluded Properties") held by WEC. Prior to completion as at 31 January 2015, the Company entered into a Second Supplemental Agreement with the Vendor to amend the terms of the sale and purchase agreement ("SPA"). The Second Supplemental Agreement provides that following the completion of acquisition, the Company and the Vendor shall mutually agree in writing on the terms and conditions of such transfer of the Excluded Properties from WEC at the consideration amounting to S\$7,300,000 whereby the Vendor shall, at its own cost and expense, transfer the Excluded Properties to itself or its nominees within 12 months after completion, and if required by the bankers, the Vendor or its nominees continue to provide third party security by way of mortgage over the Excluded Properties to the bankers, in relation to loans provided by each of the banks to WEC, pursuant to the term loan letter dated 2 May 2008 and the revised banking facilities letter dated 1 October 2013.

As the loans provided by each financial institution to WEC for the Excluded Properties are not directly transferable to the Vendor, both WEC and the Vendor are sourcing for other financial institutions to have the loan transferred. There have been negotiations with other financial institutions and the Vendor is not intending to make a pay down of the balance outstanding to reserve cash for expansion purposes which resulted in a delay in the transfer of the Excluded Properties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

18 Investments in subsidiary corporations

	Company	
	2016 S\$'000	2015 S\$'000
<i>Equity investment at cost</i>		
Beginning of financial year/period	42,966	26,510
Addition	–	16,456
End of financial year/period	42,966	42,966
<i>Less:</i>		
<i>Allowance for impairment</i>		
Beginning of financial year/period	3,274	3,274
Addition	3,995	–
End of financial year/period	7,269	3,274
	35,697	39,692

Details of subsidiary corporations are as follows:

Name of Companies	Country of incorporation	Principal activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2016 %	2015 %	2016 %	2015 %
<i>Held by the Company</i>						
Jubilee Industries (S) Pte Ltd ^(a)	Singapore	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100
E'Mold Holding Pte Ltd ^(a)	Singapore	Investment holding	100	100	100	100
J Capital Pte Ltd ^(a)	Singapore	Investment holding	100	100	100	100
WE Components Pte Ltd ^(a)	Singapore	Trading in electronic components	100	100	100	100
<i>Held by subsidiary corporations</i>						
Jubilee Manufacturing Sdn Bhd ^(b)	Malaysia	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows (continued):

			Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
Name of Companies	Country of incorporation	Principal activities	2016 %	2015 %	2016 %	2015 %
<i>Held by subsidiary corporations (continued)</i>						
E'Mold Manufacturing (Kunshan) Co. Ltd ^(c)	People's Republic of China	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100
WE Components (Shanghai) Co Ltd ^(e)	People's Republic of China	Trading in electronic components	100	100	100	100
WE Components Co Ltd ^(d) (Audited by BZY Audit (Thailand) Limited)	Thailand	Trading in electronic components	100	100	100	100
WE Components (Hong Kong) Limited ^(d) (Audited by RSM Nelson Wheeler)	Hong Kong	Trading in electronic components	100	100	100	100
WE Components (Shenzhen) Co Ltd ^(e)	People's Republic of China	Trading in electronic components	100	100	100	100
Kin Wai Technology Ltd ^(d) (Audited by RSM Nelson Wheeler)	British Virgin Islands	Trading in electronic components	100	100	100	100
WE Microelectronics Pte Ltd ^(a)	Singapore	Trading in electronic components	100	100	100	100
WE Components (Penang) Sdn Bhd ^(d) (Audited by KPMG, Penang)	Malaysia	Trading in electronic components	100	–	100	–
WE Components India Pvt Ltd ^(d) (Audited by Vasanth & Co)	India	Trading in electronic components	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

18 Investments in subsidiary corporations (continued)

- (a) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.
- (b) Audited by SSY Partners Chartered Accountants, Malaysia, a member firm of Nexia International. For the purpose of preparing the consolidated financial statements, financial statements of Jubilee Manufacturing Sdn Bhd have been audited by Nexia TS Public Accounting Corporation.
- (c) Audited by Suzhou Jing An Certified Public Accountants Co., Ltd for local statutory purposes. For the purpose of preparing the consolidated financial statements, financial statements of E'Mold Manufacturing (Kunshan) Co. Ltd have been audited by Shanghai Nexia TS Certified Public Accountants.
- (d) Audited by other independent auditors other than member firms of Nexia International. Their names are indicated above.
- (e) The subsidiary corporation is dormant and does not require audit nor consolidation, as they are not significant to the Group.

Significant restrictions

Cash and cash equivalents of \$2,023,571 (2015: \$1,272,327) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

19 Investment in associated company

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial year/period	17,663	–	8,956	–
Additions	766	8,956	766	8,956
Bargain purchase	–	7,981	–	–
Share of profit	1,953	1,954	–	–
Share of other comprehensive income/ (loss)	1,076	(1,228)	–	–
Loss on dilution of investment in associated company	(13,611)	–	–	–
End of financial year/period	7,847	17,663	9,722	8,956

Set out below is the associated company of the Group as at 31 March 2016, which, in the opinion of the directors, is material to the Group. The associated company as listed below has share capital solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Country of incorporation	% of ownership interest 2016	% of ownership interest 2015
EG Industries Berhad ^(a)	Provision of electronics manufacturing services for electronics, electrical, telecommunication and automotive industries products	Malaysia	11.80%	30.49%

- (a) Audited by UHY Chartered Accountants, Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

19 Investment in associated company (continued)

The Company's investment in associated company amounting to \$1,557,000 (2015: \$Nil) has been pledged as security for the Company's margin facility account. Under the terms and conditions of the letter of offer, the Company is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

During the financial year, EG Industries Berhad ("EG") carried out a rights and warrants exercise. The Company did not participate in this exercise, as a result, the ownership interest has diluted from 30.49% to 11.80%. The Group accounts for its investment in EG as an associated company although the Group holds less than 20% of the issued shares of EG as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding and its representation on the Board).

As at 31 March 2016, the fair value of the Group's interest in EG Industries Berhad, which is listed in Bursa Malaysia Securities Berhad was \$7,375,000 (2015: \$7,443,000). The fair value measurement is classified within Level 1 of the fair value hierarchy.

There are no contingent liabilities relating to the Group's interest in the associated company.

Summarised financial information for associated company

Set out below is the summarised financial statements for EG Industries Bhd.

Summarised balance sheet

	2016 S\$'000	2015 S\$'000
Current assets	131,981	110,218
Includes:		
- Cash and cash equivalents	22,658	26,953
Current liabilities	100,100	113,851
Includes:		
- Financial liabilities (excluding trade payables)	61,291	66,032
Non-current assets	56,610	63,890
Non-current liabilities	8,989	10,433
Includes:		
- Financial liabilities (excluding trade payables)	8,938	9,860
Net assets	79,502	49,824

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

19 Investment in associated company (continued)

Summarised statement of comprehensive income

	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 July 2014 to 31 March 2015 (9 months) S\$'000
Revenue	257,766	247,271
Interest income	125	28
Expenses		
Includes:		
- Depreciation	8,586	7,545
- Interest expense	3,599	2,822
Profit before income tax	6,560	7,518
Income tax credit/(expense)	641	(135)
Profit after income tax	7,201	7,383
Other comprehensive income/(loss)	2,371	(3,791)
Total comprehensive income	9,572	3,592

The information above reflects the amounts presented in the financial statements of the associated company (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associated company.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented, to the carrying amount of the Group's interest in associated company, is as follows:

	2016 S\$'000	2015 S\$'000
Net assets		
At beginning of financial year/acquisition date	49,824	46,232
Profit for the year/period	7,201	7,383
Other comprehensive income/(loss) for the year/period	2,371	(3,791)
Warrant exercise, purchase of treasury shares, rights issue and private placement during the year	25,781	–
Foreign exchange differences	(5,675)	–
At 31 March 2016	79,502	49,824
Interest in associated company (2016: 11.80%; 2015: 30.49%)	9,381	15,191
Fair value adjustment during financial year/acquisition date	(1,534)	2,298
Other adjustments	–	174
Carrying value of Group's interest in associated company	7,847	17,663

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

20 Investment property

	Group	
	2016	2015
	S\$'000	S\$'000
Cost		
Beginning of financial year/period	2,394	2,445
Disposal	(2,177)	–
Currency translation differences	(217)	(51)
End of financial year/period	–	2,394
Accumulated depreciation		
Beginning of financial year/period	214	75
Depreciation charge (Note 7)	78	143
Disposal	(273)	–
Currency translation differences	(19)	(4)
End of financial year/period	–	214
Net book value		
End of financial year/period	–	2,180

At the balance sheet date, the details of the Group's Investment property are as follows:

Location	Description	Tenure
No 7, Jalan Gemilang 1, Taman Perindustrian Cemerlang, 81800 Ulu Tiram Johor	Factory	Freehold

	Group	
	2016	2015
	S\$'000	S\$'000
The following amount is recognised in profit or loss:		
Direct operating expenses arising from investment property that do not generate rental income	–	147

Fair value hierarchy – Recurring fair value measurements

Description	Fair value measurements using		
	Quoted prices in active markets for identical assets	Significant other observable inputs	Significant unobservable inputs
	(Level 1)	(Level 2)	(Level 3)
	S\$'000	S\$'000	S\$'000
31 March 2015			
- Factory - Malaysia	–	2,223	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

20 Investment property (continued)

Valuation techniques used to derive Level 2 fair values

Level 2 fair values of the Group's property has been derived using the Market Comparison method. Market prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size. The most significant input into this valuation method is market price per square meter.

The Group engages external, independent and qualified valuer to determine the fair value of the Group's property based on the property's highest and best use. The fair value of the property have been determined by Cheston International Sdn Bhd.

21 Property, plant and equipment

	Leasehold Property S\$'000	Plant and Machinery S\$'000	Motor Vehicles S\$'000	Office Equipment and Tools S\$'000	Furniture and Electrical Fittings S\$'000	Renovations S\$'000	Total S\$'000
Group							
As at 31 March 2016							
Cost							
1 April 2015	13	25,273	407	2,601	1,363	4,507	34,164
Currency translation differences	–	(1,339)	(10)	(99)	(70)	(182)	(1,700)
Additions	–	162	–	38	23	39	262
Disposals	(13)	(2,243)	–	(22)	–	–	(2,278)
31 March 2016	–	21,853	397	2,518	1,316	4,364	30,448
Accumulated depreciation							
1 April 2015	–	21,204	201	2,467	1,193	4,330	29,395
Currency translation differences	–	(1,150)	(7)	(89)	(63)	(175)	(1,484)
Depreciation charge (Note 7)	–	1,213	59	93	37	94	1,496
Disposals	–	(2,279)	–	(146)	–	–	(2,425)
31 March 2016	–	18,988	253	2,325	1,167	4,249	26,982
Accumulated impairment losses							
1 April 2015	–	315	4	2	16	5	342
Currency translation differences	–	(2)	–	(1)	2	–	(1)
31 March 2016	–	313	4	1	18	5	341
Net book value							
31 March 2016	–	2,552	140	192	131	110	3,125

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

21 Property, plant and equipment (continued)

	Leasehold Property S\$'000	Plant and Machinery S\$'000	Motor Vehicles S\$'000	Office Equipment and Tools S\$'000	Furniture and Electrical Fittings S\$'000	Renovations S\$'000	Total S\$'000
Group							
As at 31 March 2015							
Cost							
1 January 2014	–	26,006	449	3,329	1,563	4,678	36,025
Currency translation differences	1	290	6	(2)	33	(35)	293
Acquisition of subsidiary corporation (Note 36(b))	12	180	–	–	–	–	192
Additions	–	512	64	47	16	167	806
Disposals	–	(1,715)	(112)	(773)	(249)	(303)	(3,152)
31 March 2015	13	25,273	407	2,601	1,363	4,507	34,164
Accumulated depreciation							
1 January 2014	–	20,405	238	3,054	1,252	4,241	29,190
Currency translation differences	–	220	4	(2)	28	(51)	199
Depreciation charge (Note 7)	–	1,808	71	180	162	331	2,552
Disposals	–	(1,229)	(112)	(765)	(249)	(191)	(2,546)
31 March 2015	–	21,204	201	2,467	1,193	4,330	29,395
Accumulated impairment losses							
1 January 2014	–	342	4	2	16	5	369
Currency translation differences	–	27	–	–	–	–	27
Reversal (Note 7)	–	(54)	–	–	–	–	(54)
31 March 2015	–	315	4	2	16	5	342
Net book value							
31 March 2015	13	3,754	202	132	154	172	4,427

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

21 Property, plant and equipment (continued)

	2016 S\$'000	2015 S\$'000
Company		
Office equipment		
<i>Cost</i>		
Beginning and end of financial year/period	3	3
<i>Accumulated depreciation</i>		
Beginning of financial year/period	2	1
Depreciation charge	1	1
End of financial year/period	3	2
Net book value		
End of financial year/period	–	1

- (a) The carrying amounts of plant and machinery and motor vehicles under finance leases are \$Nil (2015: \$135,905) and \$109,473 (2015: \$102,272) respectively at balance sheet date.
- (b) During the financial period from 1 January 2014 to 31 March 2015, the Group has recognised a reversal of impairment losses of \$54,297 for certain plant and machinery previously impaired, as these plant and machinery were disposed above the carrying amounts.

22 Intangible assets

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Composition:				
Goodwill arising on consolidation (Note (a))	–	2,332	–	–
Computer software licenses (Note (b))	346	422	135	188
	346	2,754	135	188

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

22 Intangible assets (continued)

- (a) Goodwill arising on consolidation

	Group	
	2016	2015
	S\$'000	S\$'000
<i>Cost</i>		
Beginning of financial year/period	2,332	–
Acquisition of subsidiary corporation	–	2,332
End of financial year/period	2,332	2,332
<i>Accumulated impairment</i>		
Beginning of financial year/period	–	–
Impairment charge (Note 7)	(2,332)	–
End of financial year/period	(2,332)	–
Net book value	–	2,332

Impairment test for goodwill

Goodwill on consolidation arose from the acquisition of WE Components Pte Ltd and its subsidiary corporations in January 2015 and has been allocated to its electronic components distribution as the cash-generating unit (“CGU”).

The recoverable amount of a CGU was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rates stated below. The growth rate did not exceed the long-term average growth rate for the component parts business in which the CGU operates.

Key assumptions used for value-in-use calculations:

	2016	2015
Gross margin (budgeted gross margin)	7%	7%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	2%	5%
Discount rate (pre-tax discount rate applied to the pre-tax cash flow projections)	10%	5%

Management determined budgeted gross margin based on past performance and its expectations of market developments. The weighted average growth rates used were consistent with forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the industry.

An impairment charge of \$2,332,000 (2015: Nil) is included within “Administrative expenses” in the statement of comprehensive income. The impairment charge has arisen from the electronic components distribution CGU due to the forecasted financial performance not being sufficient to cover the cost of investment.

The impairment test carried out as at 31 March 2016 for the electronic components distribution CGU in Singapore, which fully impaired the goodwill, has indicated that the recoverable amount of the CGU is \$5,161,000 or 69% lower than its carrying amount. This has decreased due to the forecasted financial performance is not sufficient to cover the cost of investment.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

22 Intangible assets (continued)

(b) Computer software licenses

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
<i>Cost</i>				
Beginning of financial year/period	956	703	266	171
Currency translation differences	(12)	(26)	–	–
Additions	57	279	–	95
End of financial year/period	1,001	956	266	266
<i>Accumulated amortisation</i>				
Beginning of financial year/period	534	433	78	24
Currency translation differences	(7)	(34)	–	–
Amortisation charge (Note 7)	128	135	53	54
End of financial year/period	655	534	131	78
Net book value	346	422	135	188

23 Trade and other payables

	Group		Company	
	2016	2015	2016	2015
	S\$'000	S\$'000	S\$'000	S\$'000
Trade payables				
- non-related parties	6,848	1,620	–	–
- related party	15	–	–	–
	6,863	1,620	–	–
Accrued operating expenses	44	658	103	210
Advances received from customers	809	903	–	–
Other payables				
- subsidiary corporations	–	–	5,783	4,923
- related parties	16,949	8,335	7,862	6,399
- non-related parties	685	296	41	32
	17,634	8,631	13,686	11,354
	25,350	11,812	13,789	11,564

The amounts due to subsidiary corporations and related parties are unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

24 Borrowings

	Group	
	2016	2015
	S\$'000	S\$'000
Current		
Bank borrowings	270	618
Finance lease liabilities (Note 25)	24	57
Bills payable	–	110
	<u>294</u>	<u>785</u>
Non-current		
Finance lease liabilities (Note 25)	<u>26</u>	<u>51</u>
Total borrowings	<u>320</u>	<u>836</u>

The exposure of the borrowings of the Group to interest rate changes and the contractual repricing dates at the balance sheet date are as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
6 months or less	147	295
6 – 12 months	147	490
1 – 5 years	26	51
	<u>320</u>	<u>836</u>

(a) Security granted

Bank borrowings include secured liabilities of \$270,000 (2015: \$728,000) for the Group. Bank borrowings are secured by the Group's bank deposits of \$205,000 (2015: \$205,000) (Note 12) and corporate guarantee of the Company (Note 31).

Bills payable and bank overdrafts are secured by corporate guarantee of the Company.

Finance lease liabilities of the Group are effectively secured over the leased plant and machinery, office equipment and motor vehicles (Note 21) as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the finance lease liabilities. The financial lease liabilities are also secured by the corporate guarantee of the Company.

(b) Fair value of non-current borrowings

	Group	
	2016	2015
	S\$'000	S\$'000
Finance lease liabilities	<u>26</u>	<u>51</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

24 Borrowings (continued)

(b) Fair value of non-current borrowings (continued)

The fair values are determined from the cash flow analysis, discounted at market borrowing rates of an equivalent instrument at the balance sheet date which the directors expect to be available to the Group as follows:

	Group	
	2016	2015
	%	%
Finance lease liabilities	4.92	4.12

The fair values are within level 2 of the fair values hierarchy.

Breaches of loan covenants

A subsidiary corporation of the Group's loan agreement is subject to covenant clauses, whereby the subsidiary corporation is required to meet certain key financial ratios. The subsidiary corporation did not fulfil the gearing ratio as required in the contract for a credit line of \$960,000, of which the subsidiary corporation has currently drawn an amount of \$270,000 (2015: \$727,824).

Due to this breach of the covenant clause, the bank is contractually entitled to request for immediate repayment of the outstanding loan amount of \$270,000 (2015: \$618,000). The outstanding balance is presented as a current liability as at 31 March 2016.

As at the balance sheet date, the bank had not requested early repayment of the loan as at the date of these financial statements and is agreeable to continue extending the loan facility for use until the next review.

25 Finance lease liabilities

The Group leases certain plant and machinery, office equipment and motor vehicles from non-related parties under finance lease agreements. The lease agreements do not have renewal clauses but provide the Group with options to purchase the leased assets at nominal values at the end of the lease term.

	Group	
	2016	2015
	S\$'000	S\$'000
Minimum lease payment due:		
- Not later than one year	27	64
- Between two to five years	29	57
	56	121
Less: Finance charges	(6)	(13)
Present value of finance lease liabilities	50	108

The present value of finance lease liabilities is analysed as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Not later than one year	24	57
Between two to five years	26	51
Total	50	108

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

26 Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S\$'000	Treasury shares S\$'000
Group and Company				
31 March 2016				
Beginning of financial year	340,871	(13,682)	48,763	(736)
Shares issued	5,634	–	169	–
End of financial year	346,505	(13,682)	48,932	(736)
31 March 2015				
Beginning of financial period	234,729	–	42,818	–
Treasury shares purchase	–	(13,682)	–	(736)
Share issued	106,142	–	5,945	–
End of financial period	340,871	(13,682)	48,763	(736)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company.

During the financial year, the Company issued 5,634,306 shares under the JSAS amounting to \$169,029. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

During the financial period from 1 January 2014 to 31 March 2015, the Company issued 106,141,918 rights shares and 106,141,918 warrants which raised net proceeds of \$5,945,501 to fund the growth and expansion of the Group through acquisitions and investments, and for working capital. The newly issued shares rank paid passu in all respects with the previously issued shares.

Treasury shares

During the financial period from 1 January 2014 to 31 March 2015, the Company purchased 13,682,000 shares and the total amount paid to acquire the shares was \$736,384 and this was presented as a component within shareholders' equity.

27 Statutory reserve

In accordance with the relevant laws and regulations of the People's Republic of China ("PRC"), companies in the PRC are required to set aside general funds by way of appropriation from their statutory net profit, as reported in the PRC statutory financial statements, at a rate to be determined by the directors of the Group. The directors have decided that 5% to 10% of the statutory net profit, as reported in the statutory financial statements of the subsidiary corporation in PRC, be appropriated each year to the general reserve funds.

The reserve funds may be used to offset accumulated losses or increase the registered capital of the subsidiary corporation, subject to the approval from the PRC authorities, and are not available for dividend distribution to the shareholders.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

28 Capital reserve

On 15 June 2012, the Company's wholly-owned subsidiary corporation, E'Molding Plastics Industries Pte Ltd is amalgamated to another wholly-owned subsidiary corporation, Jubilee Industries (S) Pte. Ltd. The effect of the amalgamation is that Jubilee Industries (S) Pte. Ltd. took over all rights and obligations of E'Molding Plastics Industries Pte Ltd.

29 Other reserves

(a) Composition

	Group	
	2016	2015
	S\$'000	S\$'000
Currency translation reserve	768	(216)
Share of other comprehensive income of associated company	(152)	(1,228)
	<u>616</u>	<u>(1,444)</u>

(b) Movements:

(i) Currency translation reserve

	Group	
	2016	2015
	S\$'000	S\$'000
Beginning of financial year/period	(216)	(176)
Net currency translation difference of financial statements of foreign subsidiary corporations	984	(40)
End of financial year/period	<u>768</u>	<u>(216)</u>

(ii) Share of other comprehensive income of associated company

	Group	
	2016	2015
	S\$'000	S\$'000
Beginning of financial year/period	(1,228)	–
Share of comprehensive income/(loss) of associated company	1,076	(1,228)
End of financial year/period	<u>(152)</u>	<u>(1,228)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

30 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Beginning of financial year/period	(10,194)	(4,033)
Net loss	(5,514)	(6,161)
End of financial year/period	<u>(15,708)</u>	<u>(10,194)</u>

31 Contingent liabilities

(a) Corporate guarantees

The Company has issued corporate guarantees to banks for borrowings of subsidiary corporations (Note 24). These bank borrowings amount to \$270,000 (2015: \$728,000) at the balance sheet date.

The Company has evaluated the fair value of the corporate guarantees and is of the opinion that the consequential benefits derived from its guarantees to the banks with regards to the subsidiary corporations are minimal.

The Company's subsidiary corporations has issued insurance bonds to two of their major suppliers for greater credit limits and terms. These bonds are provided with a total guaranteed amount of \$4,091,163.

(b) Financial support

The Company provides financial support to certain subsidiary corporations to enable these subsidiary corporations to operate as going concerns and to meet their liabilities as and when they fall due.

32 Operating lease commitments

The Group leases offices, warehouses and worksite premises from a related party and non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future minimum lease payables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

	Group	
	2016 S\$'000	2015 S\$'000
Not later than one year	865	901
Between two and five years	4	341
	<u>869</u>	<u>1,242</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

33 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties.

(a) *Sales and purchases of goods and services*

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Sales of goods to a related party	665	–
Purchase of services from related parties	(127)	–
Rental expenses paid to a related party	(560)	–

Related parties comprise mainly companies which are controlled by the Group's key management personnel and their close family members.

Outstanding balances at 31 March 2016, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from balance sheet date and are disclosed in Notes 14 and 23 respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
Salaries and wages	1,002	1,192
Directors' fees	200	136
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	41	79
Termination benefits	8	–
Other short term benefits	97	–
	1,348	1,407
Analysed as:		
Directors of the Company	818	877
Other key management personnel	530	530
	1,348	1,407

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise any adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group's principal financial instruments comprise bank loans and overdrafts, finance leases and cash and short-term bank deposits. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

It is the Group's policy that no trading in derivative financial instruments shall be undertaken.

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the risk.

(a) Market risk

(i) Currency risk

The Board of Directors ("BOD") reviews and agrees policies for managing each of these risks and they are summarised below:

Entities in the Group provide services and sell goods in several countries, and as a result, transact in currencies other than their respective functional currencies ("foreign currencies").

Currency risk arises within entities in the Group when transactions are denominated in foreign currencies such as United States Dollar ("USD"), Chinese Renminbi ("RMB") and Ringgit Malaysia ("MYR").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

In addition, the Group is also exposed to currency translation risk to the net assets of the Group's foreign operations. Currency exposure to the net assets of the Group's foreign operations in China and Malaysia are managed primarily through funding from the immediate and ultimate holding corporation.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD S\$'000	USD S\$'000	RMB S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
Group						
At 31 March 2016						
Financial Assets						
Cash and cash equivalents	–	393	–	334	365	1,092
Trade and other receivables	2,886	12,365	123	1,623	261	17,258
Inter-company balances	40,387	477	305	–	–	41,169
Other current assets	207	–	3	196	–	406
Financial assets, at fair value through profit or loss	33	–	–	–	–	33
	43,513	13,235	431	2,153	626	59,958
Financial Liabilities						
Trade and other payables	22,753	–	483	1,305	–	24,541
Inter-company balances	40,387	477	305	–	–	41,169
Borrowings	41	–	–	279	–	320
	63,181	477	788	1,584	–	66,030
Net financial (liabilities)/assets	(19,668)	12,758	(357)	569	626	(6,072)
Add: Net financial assets /(liabilities) denominated in respective entities functional currencies	13,678	–	1,090	(790)	–	13,978
Currency exposure of financial (liabilities)/assets	(5,990)	12,758	733	(221)	626	7,906

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S\$'000	USD S\$'000	RMB S\$'000	MYR S\$'000	Total S\$'000
Group					
At 31 March 2015					
Financial Assets					
Cash and cash equivalents	883	2,180	850	143	4,056
Trade and other receivables	75	1,920	773	627	3,395
Inter-company balances	34,503	4,375	–	–	38,878
Other current assets	16	–	42	76	134
Financial assets, at fair value through profit or loss	33	–	–	–	33
	35,510	8,475	1,665	846	46,496
Financial Liabilities					
Trade and other payables	363	8,771	491	1,284	10,909
Inter-company balances	38,229	649	–	–	38,878
Borrowings	62	–	–	774	836
	38,654	9,420	491	2,058	50,623
Net financial (liabilities)/assets	(3,144)	(945)	1,174	(1,212)	(4,127)
Add: Net financial (liabilities)/assets denominated in respective entities functional currencies	(9,821)	–	(1,174)	1,212	(9,783)
Currency exposure of financial liabilities	(12,965)	(945)	–	–	(13,910)

The Company does not have significant exposure to currency risk as it operates only in Singapore. Revenue and expenses are predominantly denominated in Singapore Dollar.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD, RMB and MYR change against the SGD by 1% (2015: 5%), 6% (2015: Nil%) and 7% (2015: 11%) respectively with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the net profit/(loss) of the Group will be as follows:

	Group	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
USD against SGD		
- Strengthened	(106)	39
- Weakened	106	(39)
RMB against SGD		
- Strengthened	30	—
- Weakened	(30)	—
MYR against SGD		
- Strengthened	778	1,184
- Weakened	(778)	(1,184)

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's exposure to cash flow interest rate risk mainly arises from bank borrowings at variable rates. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the impact on adverse movement of interest rates.

If the interest rates increase/decrease by 1% (2015: 1%) with all other variables including tax rate being held constant, the impact to the net profit as a result of higher/lower interest expense on these borrowings will not be significant.

(iii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which is classified on the consolidated balance sheet as at fair value through profit or loss. These securities are listed in Singapore. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio with the limits set by the BOD.

If price for equity securities listed in Singapore had changed by 1% (2015: 1%) with all other variables including tax rate being held constant, the impact to the net loss will not be significant.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(b) Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are bank deposits and trade receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history, and obtaining cash deposits where appropriate to mitigate credit risk. For other financial assets, the Group adopts the policy of dealing only with the high credit quality counterparties.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet, except as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Corporate guarantees provided to banks on subsidiary corporation's borrowings	270	728

The trade receivables of the Group comprise 3 debtors (2015: 1 debtor) that individually represented 6-19% (2015: 27%) of trade receivables.

The credit risk for trade receivables based on the information provided to key management is as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
<u>By geographical areas</u>		
Singapore	2,380	554
United States	405	2
Malaysia	2,852	1,661
China	5,455	866
India	1,813	–
Thailand	832	–
Vietnam	647	–
Other countries	1,207	249
	<u>15,591</u>	<u>3,332</u>

By types of customers

Non-related parties		
- Multi-national companies	3,068	2,165
- Other companies	12,523	1,167
	<u>15,591</u>	<u>3,332</u>

Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(b) Credit risk (continued)

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade and other receivables.

(i) The age analysis of trade receivables past due but not impaired is as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Past due < 3 months	7,369	2,210
Past due 3 to 6 months	423	452
Past due > 6 months	421	12
	<u>8,213</u>	<u>2,674</u>

The carrying amount of trade receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Gross amount	44	170
Less: Allowance for impairment	(44)	(170)
	<u>–</u>	<u>–</u>
Beginning of financial year/period	170	59
Allowance made (Note 7)	35	170
Written back (Note 7)	–	(59)
Allowance utilised	(161)	–
End of financial year/period (Note 14)	<u>44</u>	<u>170</u>

An allowance for impairment has been made to the profit or loss, as management determined the likelihood of recoverability is low and payments are not forthcoming.

(ii) The age analysis of other receivables past due but not impaired is as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Past due more than a year	<u>287</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(b) Credit risk (continued)

- (ii) The carrying amount of other receivables individually determined to be impaired and the movements in the related allowance for impairment are as follows:

	Group	
	2016	2015
	S\$'000	S\$'000
Gross amount	287	–
Less: Allowance for impairment	(287)	–
	<u>–</u>	<u>–</u>
Beginning of financial year/period	–	–
Allowance made (Note 7)	287	–
End of financial year/period (Note 14)	<u>287</u>	<u>–</u>

An allowance for impairment has been made to the profit or loss, as management determined the likelihood of recoverability is low and payments are not forthcoming.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group and the Company's operations and development activities. The Group manages the liquidity risk by maintaining a level of cash and cash equivalents deemed adequate to finance the Group's business operations and development activities. The Group's objective is to maintain a balance between continuing of funding and flexibility through the use of bank borrowings, bills payable, bank overdrafts and finance lease liabilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000
Group		
At 31 March 2016		
Trade and other payables	24,541	–
Borrowings	294	26
	<u>24,835</u>	<u>26</u>
Group		
At 31 March 2015		
Trade and other payables	10,909	–
Borrowings	836	57
	<u>11,745</u>	<u>57</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year S\$'000	Between 1 and 2 years S\$'000
<u>Company</u>		
At 31 March 2016		
Trade and other payables	13,789	–
Financial guarantee contracts	270	–
	<u>14,059</u>	<u>–</u>
<u>Company</u>		
At 31 March 2015		
Trade and other payables	11,564	–
Financial guarantee contracts	661	–
	<u>12,225</u>	<u>–</u>

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to increase the working capital.

Management monitors capital based on the financial position of the Group and the Company. The Group has positive net assets and maintain low bank borrowings. Future decisions to raise capital and funds will be made with the objective to maintain positive working capital structure.

The debt-equity ratio is calculated as total liabilities divided by total equity.

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Total liabilities	<u>25,771</u>	<u>12,650</u>	<u>13,789</u>	<u>11,564</u>
Total equity	<u>19,257</u>	<u>39,252</u>	<u>32,346</u>	<u>37,691</u>
Debt-equity ratio	<u>1.34</u>	<u>0.32</u>	<u>0.43</u>	<u>0.31</u>

The Group and the Company are in compliance with all externally imposed capital requirements for the financial period/year ended 31 March 2015/31 March 2016 respectively, except for a subsidiary corporation of the Group breached a bank covenant as disclosed in Note 24 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

34 Financial risk management (continued)

(e) Fair value measurements

The table below presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Group	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
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At 31 March 2016

Financial assets at fair value through profit or loss

33	–	–	33
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At 31 March 2015

Financial assets at fair value through profit or loss

33	–	–	33
----	---	---	----

There were no transfer between Levels 1 and 2 during the period.

The fair value of financial instruments traded in active markets (such as trading) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The carrying amount less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of current borrowings approximates their carrying amount.

(f) Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Group		Company	
	2016 S\$'000	2015 S\$'000	2016 S\$'000	2015 S\$'000
Loans and receivables	18,756	7,585	561	412
Financial assets at fair value through profit or loss	33	33	–	–
Financial liabilities at amortised cost	24,861	11,745	13,789	11,564

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

35 Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee ("Exco") that are used to make strategic decisions. The Exco comprises the Non-Executive Director, the Chief Executive Officer, the Chief Financial Officer, and the department heads of each business within each geographical segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five primary geographic areas: USA, Singapore, Malaysia, China and Europe. All geographic locations are engaged in the provision of PPIM, MDF and electronic components distribution.

The segment information provided to the Exco for the reportable segments is as follows:

	PPIM S\$'000	MDF S\$'000	Electronic Components Distribution S\$'000	Total S\$'000
For the financial year from 1 April 2015 to 31 March 2016				
Sales				
Revenue – external parties	9,854	3,380	71,839	85,073
Inter-segment sales	–	(481)	–	(481)
Sales to external parties	9,854	2,899	71,839	84,592
Gross (loss)/ profit	(625)	(319)	4,402	3,458
Other income				468
Other losses - net				(15,033)
Expenses				
- Distribution and marketing				(1,125)
- Administrative				(11,200)
- Finance				(338)
Share of profit of associated company				1,953
Loss before income tax				(21,817)
Income tax expense				(407)
Net loss				(22,224)
Depreciation				1,496
Amortisation				128
Impairment loss on goodwill				2,332

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

35 Segment information (continued)

	PPIM S\$'000	MDF S\$'000	Electronic Components Distribution S\$'000	Total S\$'000
<u>For the financial period from 1 January 2014 to 31 March 2015</u>				
Sales				
Revenue – external parties	15,830	10,394	10,899	37,123
Inter-segment sales	(1,985)	(50)	–	(2,035)
Sales to external parties	13,845	10,344	10,899	35,088
Gross (loss)/ profit	(935)	(1,420)	756	(1,599)
Other income				799
Other losses - net				(165)
Expenses				
- Distribution and marketing				(1,045)
- Administrative				(7,449)
- Finance				8
Share of profit of associated company				9,935
Profit before income tax				484
Income tax credit				3
Net profit				487
Depreciation				2,552
Amortisation				135
Reversal of impairment of property, plant and equipment				(54)

Sales between segments are carried out at agreed terms. The revenue from external parties reported to the Exco is measured in a manner consistent with that in the statement of comprehensive income.

The Exco assesses the performance of the operating segments based on gross profit. Distribution and marketing, administrative, finance and other losses and other income are not allocated to segments.

As the amounts of total assets and liabilities for each reportable segment are not regularly provided to Exco, such information is not presented in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

35 Segment information (continued)

Geographical information

The Group's three (2015: three) business segments operate in eight (2015: six) main geographical areas:

- United States – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- Malaysia – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- China – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- India – the operations in this area are principally the distribution of electronic components
- Indonesia – the operations in this area are principally the distribution of electronic components
- Thailand – the operations in this area are principally the distribution of electronic components
- Vietnam – the operations in this area are principally the distribution of electronic components
- Other countries – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components.

	Revenue	
	For the financial year from 1 April 2015 to 31 March 2016 (12 months) S\$'000	For the financial period from 1 January 2014 to 31 March 2015 (15 months) S\$'000
United States	1,110	124
Malaysia	13,969	13,370
Singapore	17,638	5,595
China	27,909	11,047
India	12,546	–
Indonesia	1,484	1,927
Thailand	5,080	1,602
Vietnam	2,904	–
Other countries	1,952	1,423
	84,592	35,088

	Non-current assets	
	2016 S\$'000	2015 S\$'000
Malaysia	776	3,788
Singapore	8,481	20,326
China	2,061	2,873
Other countries	–	37
	11,318	27,024

Revenue of approximately \$11,200,859 (2015: \$4,471,175) is derived from a single external customer. This revenue is attributable to the distribution of electronic components located in China (2015: provision of PPIM and MDF located in Malaysia).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2016

36 New or Revised Accounting Standards and Interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 April 2016 or later periods and which the Group has not early adopted:

Effective for annual periods beginning on or after 1 January 2016

- FRS 114 Regulatory Deferral Accounts
- Amendments to FRS 1: Disclosure Initiative
- Amendments to FRS 27: Equity Method in Separate Financial Statements
- Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to FRS 16 and FRS 41: Agriculture: Bearer Plants
- Amendments to FRS 111: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to FRS 110, FRS 112 and FRS 28: Investment Entities: Applying the Consolidation Exception
- Various improvements to FRSs (November 2014)
 - Amendments to FRS 107 Financial Instruments: Disclosures
 - Amendments to FRS 19 Employee Benefits

Effective for annual periods beginning on or after 1 January 2017

- Amendments to FRS 7: Disclosure Initiative
- Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses

Effective for annual periods beginning on or after 1 January 2018

- FRS 115 Revenue from Contracts with Customers
- FRS 109 Financial Instruments

*Effective date to be determined by the ASC**

- Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

* The mandatory effective date of this Amendment had been revised from 1 January 2016 to a date to be determined by the Accounting Standards Council Singapore (ASC) in December 2015 via Amendments to Effective Date of Amendments to FRS 110 and FRS 28.

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in the future periods will not have a material impact on the financial statements of the Group and of the Company in the period of their initial adoption.

STATISTICS OF SHAREHOLDINGS

AS AT 21 JUNE 2016

Issued and fully paid-up capital	:	S\$49,847,312.33**
Number of Issued Shares (excluding Treasury Shares)	:	332,823,469
Number/Percentage of Treasury Shares	:	13,682,000 (4.11%)
Voting Rights	:	One vote per share
Class of Shares	:	Ordinary Shares

** This is based on records kept with the Accounting & Corporate Regulatory Authority ("ACRA") and differs from the accounting records of the Company which is S\$48,932,045 due to certain share issue expenses.

Distribution of shareholdings as at 21 June 2016

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 - 99	105	11.34	730	0.00
100 - 1,000	20	2.16	16,563	0.00
1,001 - 10,000	108	11.66	823,903	0.25
10,001 - 1,000,000	666	71.92	96,904,777	29.12
1,000,001 and above	27	2.92	235,077,496	70.63
Total	926	100.00	332,823,469	100.00

Twenty largest shareholders as at 21 June 2016

No.	Name of Shareholders	No. of Shares	% of Shares
1.	WE Holdings Ltd	97,354,500	29.25
2.	UOB Kay Hian Pte Ltd	16,086,000	4.83
3.	Phillip Securities Pte Ltd	12,542,193	3.77
4.	Lim Chye Huat @ Bobby Lim Chye Huat	11,333,000	3.41
5.	Goh Bee Lan	10,809,000	3.25
6.	Maybank Kim Eng Securities Pte Ltd	10,383,600	3.12
7.	Jun Yuan Holdings Pte Ltd	9,750,000	2.93
8.	Bank of Singapore Nominees Pte Ltd	8,903,000	2.67
9.	OCBC Securities Private Ltd	7,062,000	2.12
10.	Khoo Hang Choong	6,500,000	1.95
11.	Tan Eng Chua Edwin	4,706,000	1.41
12.	RHB Securities Singapore Pte Ltd	4,221,000	1.27
13.	Teo Yong Ping (Zhang Rongbin)	4,016,667	1.21
14.	Poh Boon Kher Melvin (Fu Wenke Melvin)	3,655,000	1.10
15.	Tee Wee Sien (Zheng Weixian)	3,323,000	1.00
16.	Raffles Nominees (Pte) Ltd	3,197,000	0.96
17.	CIMB Securities (Singapore) Pte Ltd	2,954,036	0.89
18.	Ng Tie Jin (Huang Zhiren)	2,345,000	0.70
19.	Tan Sew Meng	2,251,000	0.68
20.	Francis Lee Fook Wah	1,866,000	0.56
	Total	223,257,996	67.08

Based on the information available to the Company as at 21 June 2016, approximately 70.75% of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

STATISTICS OF SHAREHOLDINGS

AS AT 21 JUNE 2016

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
WE Holdings Ltd.	97,354,500	29.25	—	—

STATISTICS OF WARRANTHOLDINGS – W161109

AS AT 21 JUNE 2016

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 99	17	9.09	58	0.00
100 - 1,000	7	3.74	3,118	0.00
1,001 - 10,000	27	14.44	168,493	0.16
10,001 - 1,000,000	119	63.64	21,503,515	20.26
1,000,001 and above	17	9.09	84,466,734	79.58
Total	187	100.00	106,141,918	100.00

Top twenty warrantholders as at 21 June 2016

	No. of Warrants	%
1. WE Holdings Ltd	31,451,500	29.63
2. Lim Chye Huat @ Bobby Lim Chye Huat	15,974,000	15.05
3. Teo Yong Ping (Zhang Rongbin)	5,025,667	4.73
4. Wong Keng Seng	4,166,667	3.93
5. Maybank Kim Eng Securities Pte Ltd	3,557,000	3.35
6. Ramesh S/O Pritamdas Chandiramani	3,500,000	3.30
7. Jun Yuan Holdings Pte Ltd	3,250,000	3.06
8. Goh Bee Lan	2,547,000	2.40
9. Tee Wee Sien (Zheng Weixian)	2,200,000	2.07
10. Ng Tie Jin (Huang Zhiren)	2,100,000	1.98
11. Lalwani Ashok Bherumal	1,999,900	1.88
12. Kwan Kum Luen (Guan Jinluan)	1,800,000	1.70
13. Tan Yeok Koon (Chen Yukun)	1,725,000	1.63
14. Auw Chor Ee	1,600,000	1.51
15. Lee Kunfeng Daniel	1,300,000	1.23
16. Zeng Jian	1,170,000	1.10
17. Lim Chin Hock	1,100,000	1.04
18. Tan Keng Soon	1,000,000	0.94
19. Tan Wee Peng Kelvin	1,000,000	0.94
20. Tan Weiren Vincent (Chen Weiren Vincent)	1,000,000	0.94
	87,466,734	82.41

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of **JUBILEE INDUSTRIES HOLDINGS LTD.** (the “**Company**”) will be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564, on Friday, 29 July 2016 at 10:00 a.m. to transact the following businesses:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 March 2016 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$180,000 for the financial year ending 31 March 2017, to be paid half-yearly in arrears. (2016: S\$200,000.) **(Resolution 2)**
3. To re-elect Mr Cheong Keng Chuan Alfred, who is retiring in accordance with Article 88 of the Company’s Constitution, as a Director of the Company. *[See Explanatory Note (i)]* **(Resolution 3)**
4. To re-elect Mr Terence Tea Yeok Kian, who is retiring by rotation in accordance with Article 89 of the Company’s Constitution, as a Director of the Company. *[See Explanatory Note (ii)]* **(Resolution 4)**
5. To re-appoint Messrs Nexia TS Public Accounting Corporation as auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

7. **Authority to grant awards and issue shares pursuant to the Jubilee Share Award Scheme**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

“That approval be and is hereby given to the Directors to: (a) offer and grant awards (“**Awards**”) in accordance with the provisions of the Jubilee Share Award Scheme (the “**JSAS**”); and (b) issue and allot from time to time such number of fully paid up shares in the capital of the Company as may be required to be issued pursuant to the vesting of Awards under the JSAS, provided that the aggregate number of shares to be issued or issuable pursuant to the JSAS and any other share-based schemes of the Company shall not exceed fifteen per cent (15%) of the total number of issued shares of the Company (excluding any shares held in treasury) from time to time.” *[See Explanatory Note (iii)]* **(Resolution 6)**

8. **Renewal of the Share Buyback Mandate**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

“That:-

- (a) for the purposes of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) (“**Catalist Listing Rules**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-
 - (i) on-market purchases (each an “**On-Market Share Purchase**”) on the SGX-ST; and/or
 - (ii) off-market purchases (each an “**Off-Market Share Purchase**”) effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Listing Rules;

NOTICE OF ANNUAL GENERAL MEETING

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Catalist Listing Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Buyback Mandate"**);

- (b) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of (i) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required by law or the Constitution of the Company to be held; or (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Ordinary Resolution:

"Maximum Limit" means ten per cent (10%) of the issued ordinary share capital of the Company as at the date of the last annual general meeting or the date of the passing of this Ordinary Resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered;

"Relevant Period" means the period commencing from the date on which this annual general meeting is to be held and expiring on the date the next annual general meeting is held or is required to be held, whichever is the earlier, after the date of this Ordinary Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, one hundred and five per cent (105%) of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, one hundred and twenty per cent (120%) of the Average Closing Price,

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and

- (d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." [See Explanatory Note (iv)] **(Resolution 7)**

9. Authority to issue and allot shares in the capital of the Company

To consider and if thought fit, to pass the following resolution as a Special Resolution, with or without any modifications:

"That pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Listing Rules and the Constitution of the Company, authority be and is hereby given to the Directors to:

- (a) (i) issue and allot shares in the capital of the Company (**"Shares"**), whether by way of rights, bonus or otherwise; and/or

NOTICE OF ANNUAL GENERAL MEETING

- (ii) make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force, provided that:
 - (1) the aggregate number of Shares to be issued (including Shares to be issued in pursuance of Instruments made or granted pursuant to this authority), whether on a pro rata basis or a non pro rata basis, does not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) (calculated in accordance with sub-paragraph (2) below);
 - (2) (subject to such manner of calculation and adjustments as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) that may be issued under sub-paragraph (1) above, the percentage of issued Shares (excluding treasury shares) shall be based on the Company’s total number of issued Shares (excluding treasury shares) at the date of the passing of this Resolution, after adjusting for Shares that may be issued arising from (a) the conversion or exercise of convertible securities or (b) new Shares arising from exercising share options or vesting of share awards outstanding and/or subsisting at the time of passing of this Resolution; provided that the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Listing Rules; and (c) any subsequent bonus, consolidation or subdivision of Shares;
 - (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Listing Rules for the time being in force (in each case, unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act, and otherwise, the Constitution for the time being of the Company; and
 - (4) unless previously revoked or varied by the Company in general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.” *[See Explanatory Note (v)]* **(Resolution 8)**

By Order of the Board

Kelvin Loh
Elizabeth Krishnan
Company Secretaries

Singapore, 7 July 2016

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr Cheong Keng Chuan Alfred, if re-elected, will remain as a member of the Audit Committee, the Remuneration Committee and the Nominating Committee and will be considered independent.
- (ii) Mr Terence Tea Yeok Kian, if re-elected, will remain as the Non-Executive Chairman of the Board of Directors, a member of the Audit Committee, the Remuneration Committee and the Nominating Committee and will be considered non-independent.
- (iii) Ordinary Resolution 6, if passed, will empower the Directors to offer and grant Awards and to issue shares in the capital of the Company to selected employees of the Group, pursuant to the JSAS (which was approved by shareholders at the Extraordinary General Meeting held on 21 November 2014), provided that the aggregate number of shares to be issued pursuant to the JSAS shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding any shares held in treasury) of the Company from time to time.
- (iv) Ordinary Resolution 7, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company's issued Shares from time to time subject to and in accordance with the guidelines set out in the Circular accompanying this Notice. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting. Please refer to the Circular for more details.
- (v) Special Resolution 8, if passed, will empower the Directors from the date of the above annual general meeting until the date of the next annual general meeting, to issue and allot Shares and convertible securities in the Company to existing Shareholders, whether on a pro rata basis, up to an amount not exceeding one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares) as at the date of the annual general meeting. This authority will, unless previously revoked or varied at a general meeting, will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is the earlier.

Notes:

- 1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend and vote at the Annual General Meeting (the **"Meeting"**) is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a Member of the Company.
- 2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
- 3. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 10 Ubi Crescent, Ubi Techpark Lobby E #03-94-96, Singapore 408564 not less than forty-eight (48) hours before the time appointed for holding the Meeting.

Personal data privacy:

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the annual general meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the annual general meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the annual general meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the **"Purposes"**); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

JUBILEE INDUSTRIES HOLDINGS LTD.

(Company Registration No. 200904797H)
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investors") may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC/Passport No.)

of _____ (Address)

being a member/members of **JUBILEE INDUSTRIES HOLDINGS LTD.** (the "**Company**"), hereby appoint:

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on Friday, 29 July 2016 at 10:00 a.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

No.	Ordinary Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2016		
2	Approval of Directors' fees amounting to S\$180,000 for the financial year ending 31 March 2017		
3	Re-election of Mr Cheong Keng Chuan Alfred as a Director of the Company		
4	Re-election of Mr Terence Tea Yeok Kian as a Director of the Company		
5	Re-appointment of Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to grant awards and issue shares pursuant to the Jubilee Share Award Scheme		
7	Renewal of Share Buyback Mandate		

No.	Special Resolution relating to:	No. of votes 'For'*	No. of votes 'Against'*
8	Authority to issue and allot shares in the capital of the Company		

*If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2016

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

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

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member (other than a Relevant Intermediary*) appoints two proxies, the proportion of his/her shareholding to be represented by each proxy shall be specified in the proxy form, failing which, the nomination shall be deemed to be alternative.
4. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
5. Subject to note 10, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
6. The instrument appointing a proxy or proxies (together with the power of attorney (if any) under which it is signed or a certified copy thereof) must be deposited at the Company's Registered Office at 10 Ubi Crescent Ubi Techpark Lobby E #03-94-96, Singapore 408564, not less than forty-eight (48) hours before the time for holding the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its Common Seal or under the hand of its attorney or a duly authorised officer.
8. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
9. A corporation which is a member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at the Meeting.
10. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
11. The Company shall be entitled to reject the instrument appointing a proxy or proxies which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his/her name in the Depository Register, the Company shall be entitled to reject any instrument of proxy lodged if such member, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 7 July 2016.

*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Corporate Information

JUBILEE INDUSTRIES HOLDINGS LTD.
Company Registration No. 200904797H

BOARD OF DIRECTORS

Terence Tea Yeok Kian
Non-Executive Chairman

Pao Kiew Tee
Independent Director

Cheong Keng Chuan Alfred
Independent Director

AUDIT COMMITTEE

Pao Kiew Tee *Chairman*

Terence Tea Yeok Kian *Member*

Cheong Keng Chuan Alfred *Member*

REMUNERATION COMMITTEE

Terence Tea Yeok Kian *Member*

Pao Kiew Tee *Member*

Cheong Keng Chuan Alfred *Member*

NOMINATING COMMITTEE

Terence Tea Yeok Kian *Member*

Cheong Keng Chuan Alfred *Member*

COMPANY SECRETARY

Elizabeth Krishnan
(appointed on 23 February 2016)

Kelvin Loh
(appointed on 28 October 2014)

REGISTERED OFFICE

10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2968 / 6311 2969
Fax: (65) 6311 2905
Website: www.jihldgs.com

SPONSOR

RHT Capital Pte Ltd
6 Battery Road
#10-01
Singapore 049909

AUDITORS

Nexia TS Public Accounting Corporation
100 Beach Road
#30-00 Shaw Tower
Singapore 189702
Director-in-Charge: Loh Ji Kin
(Appointed since financial year ended
31 March 2016)

SHARE REGISTRAR

B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847
Email: main@bacs.com.sg

PRINCIPAL BANKER

United Overseas Bank Limited
80 Raffles Place
UOB Plaza 1
Singapore 048624

Citibank NA
8 Marina View
#21-00 Asia Square Tower 1
Singapore 018960

Standard Chartered Bank (Singapore) Limited
6 Battery Road
Singapore 049909



Jubilee Industries Holdings Ltd.

10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E, Singapore 408564
Tel: (65) 6311 2968/6311 2969
Fax: (65) 6311 2905