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WE Holdings turnaround with HY2015 net profit of US$1.3m

- **The Group achieved profitability on prudent cost management and valuation gain from acquisition of Jubilee Industries, following six consecutive half-yearly losses since its reverse takeover transaction in June 2010**
- **Overall revenue increased 13% to US$32.6 million due to new distributorship agreements and product lines**
- **Healthy balance sheet and net cash position to support expansion of revenue streams in commodities businesses**

Singapore and Hong Kong, 12 November 2014 – WE Holdings Ltd ("WE Holdings", the "Company" or the "Group") announced its financial results for the half year ended 30 September 2014 ("HY2015"). The Company delivered a net profit after tax of US$1.3 million in HY2015, reversing from a net loss after tax of US$4.6 million in HY2014. This turnaround is assisted by the revenue increase of 13% to US$32.6 million, the Company's prudent cost management, as well as a valuation gain from the acquisition of Jubilee Industries Holdings Ltd ("Jubilee Industries").

Financial Highlights

Financial Highlights (US$'000)	HY2015	HY2014	% Change	FY2014	FY2013	% Change
Revenue	32,570	28,765	13	58,032	62,517	(7)
Gross Profit	2,530	2,465	3	4,210	5,866	(28)
Gross Profit Margin (%)	8	9	-1 pt	7	9	-2 pts
(Loss)/ Profit After Tax	1,348	(4,628)	n.m.	(5,885)	(4,318)	n.m.
Net Profit Margin (%)	4	n.m.	n.m.	n.m.	n.m.	n.m.
(Loss)/ Earnings per Share (Sing Cents)	0.13	(0.77)	n.m.	(0.75)	(0.87)	n.m.
Net Asset Value per Share (Sing Cents)	1.22	1.51	(19)	1.20	0.74	62

Mr Terence Tea, Executive Chairman and Managing Director of WE Holdings, said: "Since taking over the reins with the new management in September 2013, we have been working tirelessly to mitigate the trying business situation, as well as to seek new growth opportunities with an immediate purpose of driving a turnaround. We are heartened to have achieved this initial success with our turnaround in HY2015 in spite of the challenging business climate.

With our 26.8% stake in Jubilee Industries and the proposed sale of our Electronic Components units to Jubilee Industries, the company will be able to transform into a one-stop electronics solution provider, thereby spearheading the business growth on our behalf.

Our healthy balance sheet and current net cash position will strengthen WE Holdings' key strategy to widen our revenue streams in capturing growth opportunities for our commodities businesses. While keeping a tight lid on our cost, we will enhance our efforts in driving growth to deliver an improved FY2015 for the Group and bring greater value to our shareholders."

HY2015 Financial Review

Revenue increased 13% to US$32.6 in HY2015 mainly due to new distributorship agreements and product lines obtained in the half-year. This is in line with the Company's growth strategy to seek new markets, suppliers and customers in growing new revenue streams.

Gross profit registered a slight 3% increase to US$2.5 million in HY2015, as compared to US$2.4 million in FY2014. Reducing the selling price to remain competitive in the price sensitive environment, the gross profit margin decreased to 8% in HY2015 from 9% in HY2014.

Other items of income increased 2212% to US$4.5 million in H2015. Largely due to the valuation gain of US$1.9 million as a result of a professional valuation conducted on its newly acquired associate, Jubilee Industries. Other income also included a forex gain of US$0.6 million, and a reversal of over provisions and recovery of bad debts of US2.0 million.

As part of the Group's prudence and effective cost management, expenses were reduced in HY2015:

- Operating expenses decreased 20% to US$5.7 million in HY2015
- Administration expenses decreased 15% to 4.6 million in HY2015
- Finance costs decreased 55% to US$0.2 million in HY2015 due to lower utilisation of borrowings.
- Other charges decreased to none in HY2015 from US$0.4 million in HY2014 mainly due to the decline in forex exchange losses as a result of the strengthened US dollar

As a result of the above factors, WE Holdings achieved net profit after tax of US$1.3 million in HY2015.

Current and non-current loans and borrowings dropped 26% to US$1.4 million as at 30 September 2014, from US$1.9 million as at 31 March 2014, mainly due to repayment made during the period.

Cash and cash equivalents decreased 67% to US$6.6 million as at 30 September 2014, from US$19.8 million as at 31 March 2014. However, as the total debt was US$1.4 million, the Group achieved a net cash position of US$5.2 million as at 30 September 2014.

Outlook

Mr Tea commented, "Notwithstanding the challenging operating environment, the Group will continue to explore growth opportunities for our commodities businesses, and focus efforts simultaneously on existing and new markets, suppliers and customers. To drive for a FY2015 turnaround, the Group will continue to be mindful of the cost, inventory, credit and cash management while exploring both organic and inorganic opportunities in the region to accelerate the Group's growth."

- **The End –**

About WE Holdings Ltd

Identifying growth opportunities in the regional market, We Holdings embarked on its diversification strategy into the commodities sector. As such, the Group has streamlined the commodities businesses into two key units, namely:

- Coal and Iron Ore
- Cement and Oil

For the Coal and Iron Ore business, the commodities will be traded mainly in China with the Group seeking to expand beyond China in the near-mid-term. We have since commenced the iron ore business with the first shipment delivered in February 2014.

For the Cement and Oil business, the Group intends to acquire shares in Dragon Cement Co., Ltd, a company that is principally engaged in the business of cement manufacturing, and is majority-owned by His Excellency Nay Win Tun ("H.E Nay Win Tun"). H.E Nay Win Tun is a prominent Myanmar businessman and the Chairman of the Ruby Dragon Group of companies.

Riding on the vast opportunities present in Myanmar, WE Holdings' also has a proposed joint venture with WE Dragon Resources Pte. Ltd. to assess potential petroleum, oil and gas, and related resources business opportunities in Myanmar. Both proposed acquisition and joint venture are currently pending approval from Myanmar Investment Commission.

In addition to the above, the Group will explore opportunities in the exploration, extraction/mining and trading of energy and metal resources and the production and trading of sand and steel, subject to shareholders' approval.

Issued for and on behalf of WE Holdings Ltd
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This Announcement has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of this Announcement.

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