

**2021 ANNUAL
REPORT**

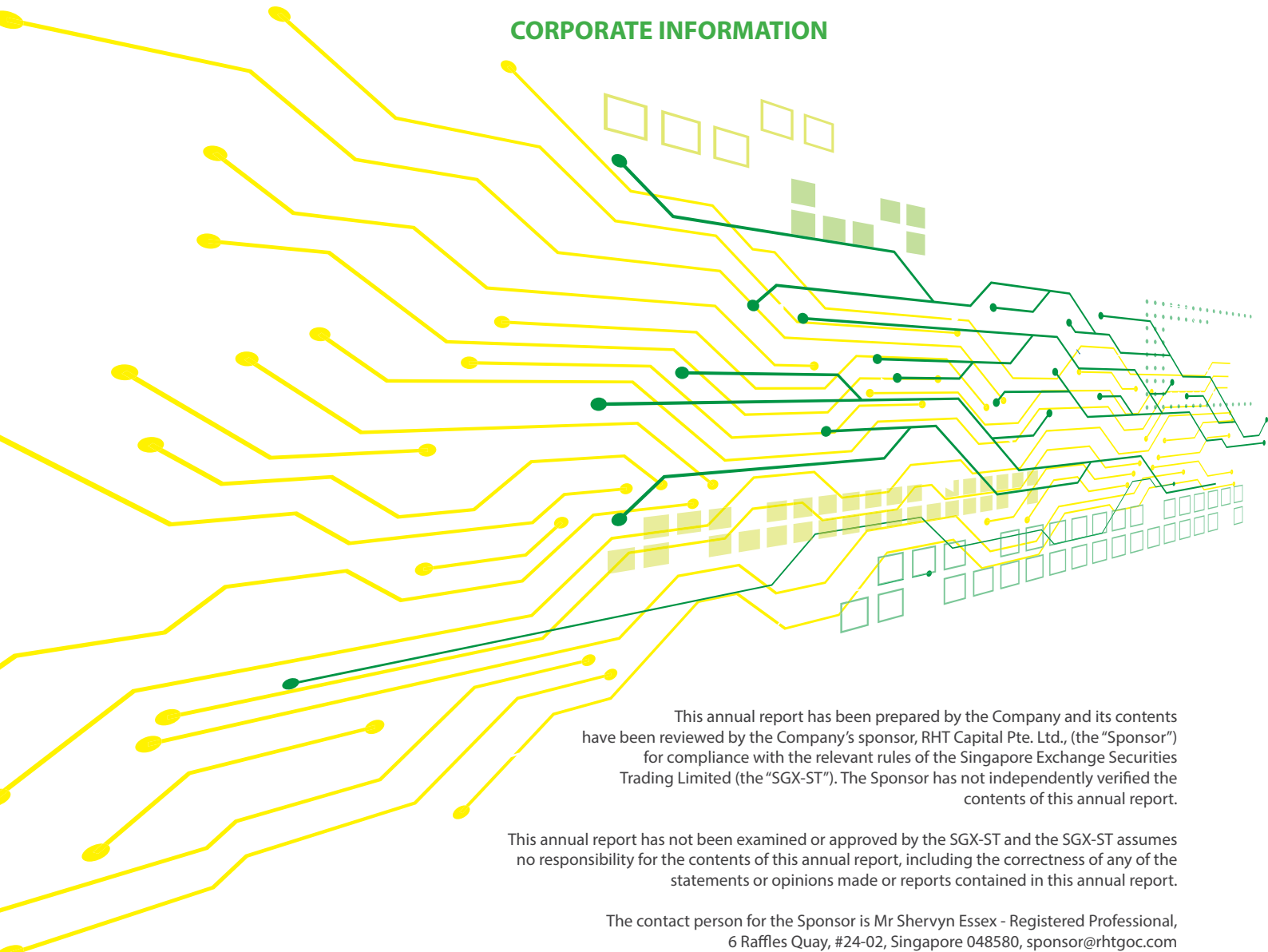


Jubilee Industries Holdings Ltd.
千禧业科技公司



Contents

02	●	CORPORATE PROFILE
04	●	CHAIRMAN'S MESSAGE
06	●	OPERATIONS AND FINANCIAL REVIEW
09	●	MILESTONES
10	●	BOARD OF DIRECTORS
14	●	CORPORATE MANAGEMENT
16	●	CORPORATE DIRECTORY
17	●	CORPORATE GOVERNANCE REPORT
38	●	SUSTAINABILITY REPORT
51	●	FINANCIAL STATEMENTS
127	●	STATISTICS OF SHAREHOLDINGS
129	●	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 Shervyn Essex - Registered Professional, 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

Moulding a Sustainable Future

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

Corporate Profile

Established in 1993 and listed on SGX-Catalist since 10 July 2009, Jubilee Industries Holdings Ltd. (“Jubilee” or the “Company”, and together with its subsidiary corporations, the “Group”) is a one-stop solutions provider within the Electronic Manufacturing Services (“EMS”) space with two main business segments:

1. Mechanical Business Unit (“MBU”), which engages primarily in precision plastic injection moulding (“PPIM”) and mould design and fabrication (“MDF”) services; and
2. Electronics Business Unit (“EBU”), which distributes integrated electronic components.

The Group is also a manufacturer’s representative based in Singapore for electronic products across Southeast Asia. The Group provides system integration, business consultancy for turnkey electronics solutions for the Asia-Pacific region, including value-added services for global customers in consumer electronics, computer peripherals, medical supplies, automotive and household appliances.

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

Headquartered in Singapore, Jubilee’s production facilities span across Malaysia and Indonesia. Jubilee’s products are sold to customers in Singapore, Malaysia, Indonesia, Vietnam, India, the People’s Republic of China, the United States of America and various European countries.

MBU: MOULD DESIGN AND FABRICATION BUSINESS

We produce plastic injection moulds for consumer electronics, household appliances, medical supplies, automotive and computer peripherals. MDF or “tooling” involves the design and fabrication of precision plastic injection moulds, 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 design stage to the mould assembly. That is why we use state-of-the-art steel cutting equipment, such as the Sodick 3-axis machine. We believe that strong hardware and excellent skillsets are critical in every step to make tools that we can be proud of.

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 technique 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 programme managers and designers who will study our customers’ needs and part requirements as well as go through a thorough design for the manufacturing process before proceeding with tool fabrication. Our quality motto is to do things right the first time to avoid unnecessary waste.



Corporate Profile

MBU: PRECISION PLASTIC INJECTION MOULDING BUSINESS

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, enabling us to produce a wide range of components for parts of our customers' finished products including mobile phones, computer peripherals and other consumer electronics.

Our efforts to meet customers' high expectations have 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 mark of good quality. From injection moulding machines to quality inspection equipment, we use 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 tonnes to 2,100 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.

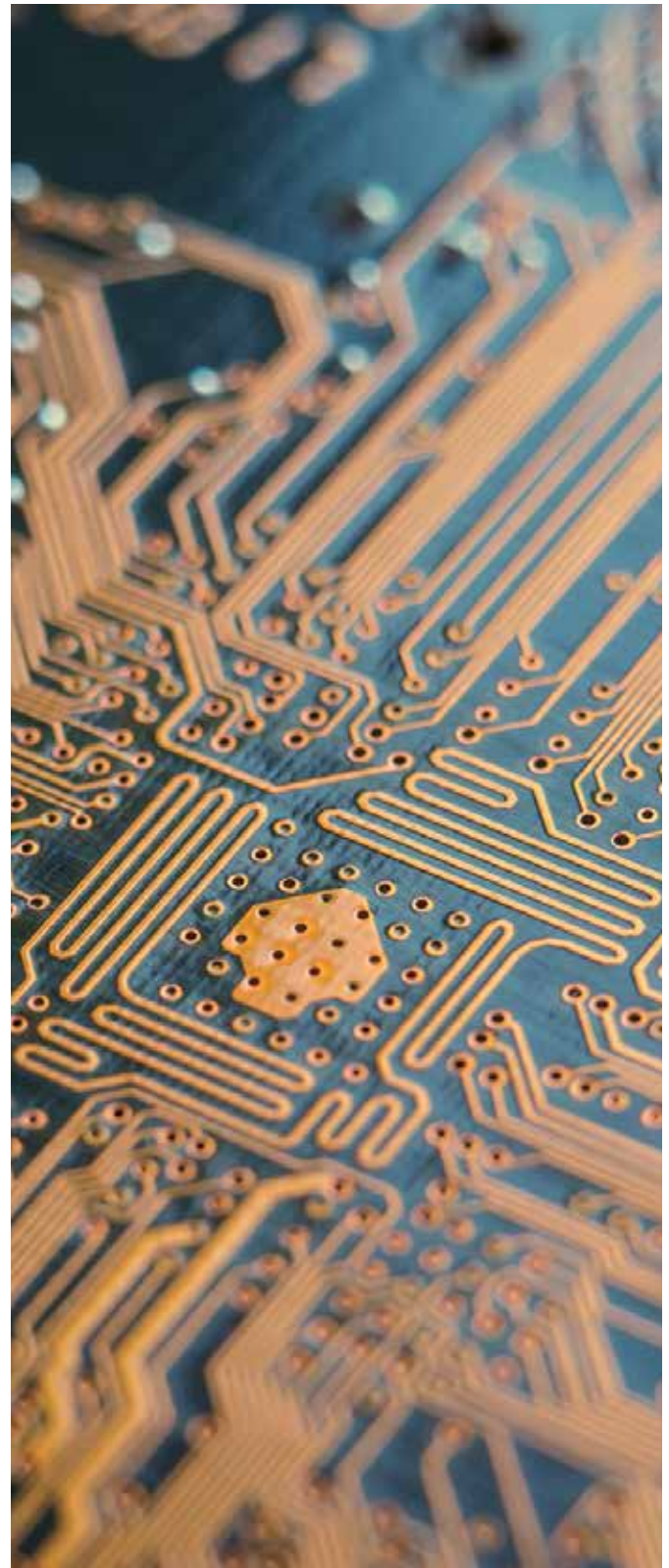
We offer a variety of value-added services for plastic decorative purposes such as laser etching, ultrasonic welding, heat staking, printing, polishing and sub-assembly services. These secondary processes cover the engineering requirements of most products, delivering a one-stop, vertically integrated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

EBU: ELECTRONIC COMPONENTS DISTRIBUTION

Our electronic components distribution segment 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 our 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 over 500 customers with various programmes including vendor managed inventory, third-party logistic hubs and back-to-back deliveries.



Chairman's Message



Dear Shareholders,

On behalf of Jubilee Industries Holdings Ltd. ("Jubilee" or the "Company", together with its subsidiary corporations, the "Group"), I am pleased to present the Group's latest annual report for the financial year ended 31 March 2021 ("FY2021").

RIDING OUT THE STORM

The Group successfully narrowed its net loss by more than half from S\$3.8 million for FY2020 to S\$1.8 million for FY2021 as Jubilee bounced back from the initial impact of COVID-19.

Amidst external headwinds, Jubilee's revenue increased by S\$11.2 million or 8.4% from S\$133.8 million for FY2020 to S\$145.0 million for FY2021. The increase in revenue reflects the success of the Group's efforts to mitigate the impact of COVID-19 as well as higher sales from the Group's Electronics Business Unit ("**EBU**"). Group revenue improved from S\$57.6 million for the first half of FY2021, during which many industries experienced unprecedented disruptions, to S\$87.4 million for the second half of FY2021.

EBU revenue increased significantly by S\$10.7 million or 9.8% from S\$109.2 million for FY2020 to S\$119.9 million for FY2021 due to a recovery in demand for semiconductors due to limited factory capacity and longer lead times as well as its progress in emerging regions such as Vietnam and India.

Revenue from the Group's Mechanical Business Unit ("**MBU**") increased slightly by approximately S\$0.4 million or 1.6% from S\$24.7 million for FY2020 to S\$25.1 million for FY2021, due to higher sales of consumer and medical products as well as customers who are shifting their source of purchase to the ASEAN region amidst US-China trade tensions.

Jubilee continues to implement cost saving measures in response to COVID-19 which led to a decline of S\$0.5 million or 55.6% in distribution and marketing expenses from S\$0.9 million for FY2020 to S\$0.4 million for FY2021. In addition to the reduction of business travel, dining and entertainment expenses, commission payouts were reduced by S\$0.4 million from S\$0.5 million for FY2020 to S\$0.1 million for FY2021.

The Group is grateful for the strong support provided by the Singapore government to help local businesses during this crisis of a generation. Government grants received in FY2021 amounted to approximately S\$0.5 million.

While Jubilee has been able to ride out the storm to achieve improved results, global economic recovery remains uncertain and uneven. The Group will continue its ongoing efforts to realign its resources to expand its supplier base and grow its product portfolio to remain resilient while forging ahead on the path to recovery.

BRIEF OVERVIEW OF FY2021

At the height of the pandemic, the Group was gravely affected by disruptions to business activities amidst lockdowns throughout the world which impacted every link of the value and supply chain. Jubilee adopted an agile approach to respond to the challenging circumstances and was able to meet demand in the consumer and medical segments as work-from-home and healthcare took

Chairman's Message

centre stage. This helped offset the impact of softer sales in the automotive industry which experienced a slowdown.

We are encouraged by the economic recovery achieved by China, the Group's largest market. The EBU's revenue from China has picked up in tandem with the recovery in China's manufacturing activity following severe disruptions.

Furthermore, the EBU successfully solicited new customers from emerging regions like Vietnam and India. Revenue generated from both countries more than doubled from S\$12.5 million for FY2020 to S\$29.2 million in FY2021, representing approximately 20.1% of Jubilee's total revenue for FY2021.

Beyond COVID-19, the US presidential election and subsequent transition to the Biden administration was closely watched. Trade relations between the US and China remain uncertain and we expect current tensions to continue for the foreseeable future, affecting businesses in the region including Jubilee. However, the MBU remains well positioned to capture new opportunities in a crisis as customers shift their source of purchase to the ASEAN region.

OUTLOOK AND FUTURE PLANS

The global economic recovery not only remains uncertain but also uneven. While we are encouraged by the successful containment of COVID-19 in China, other key markets in which we operate are experiencing a resurgence of the virus followed by the implementation of further restrictions which impact business sentiment and operations.

The recurring waves of COVID-19 infections and strict movement control orders in Malaysia continue to impact the MBU's operations. Similarly, emergency measures introduced in Indonesia following an alarming rise in cases will also likely impact the MBU's operations. Amidst the various restrictions, including limits on workforce capacity and travel, operational output and efficiency may be affected while logistics and transportation costs rise.

Given the uneven pace of vaccination across the region and the threat of new COVID-19 variants, the operating environment is expected to remain challenging. The global economy continues to be mired with significant uncertainties and disruptions in business activities.

Beyond COVID-19, the Group also faces other external headwinds such as raw material shortages, foreign exchange volatility and pricing pressures from customers. The weakening of the US Dollar and rising crude oil price has affected the price of resin, the MBU's principal raw material.

To mitigate these challenges, the MBU will focus on diversifying its customer base and expand its product offering for higher margins. We are currently venturing into new products for the construction industry. We are encouraged by new orders from various industries as mold fabrication remains robust, reflecting a bright spot of optimism and positive market sentiment. The Group will consider investment for new tool fabrications to further expand Jubilee's capabilities.

The EBU continues to exercise extreme caution to minimise adverse financial and inventory exposures. At the Group level, our strategy is to maintain a diversified customer mix and product portfolio to ensure business resilience and stability for both our business segments. We will continue to work on initiatives to better manage cost and operational efficiency with a focus on products with longer life cycles and higher growth potential.

Amidst the continued challenges facing our industry and the global economy, we remain committed to strengthening Jubilee's resilience and building long-term value for shareholders.

A NOTE OF APPRECIATION

On behalf of the Group, I would like to express my sincere gratitude to our valued shareholders, business partners and the Board of Directors for their continued support. I would also like to take this opportunity to acknowledge the sacrifices made by my colleagues and their determination to support the Group as we work together to overcome unprecedented challenges.

All of us at Jubilee remain committed to the principles of integrity, commitment and innovation. Our long-term efforts to strengthen the Group's operations and grow its business will continue as we forge ahead to emerge stronger from the COVID-19 crisis.

MR TERENCE TEA YEOK KIAN

Executive Chairman and Chief Executive Officer
Jubilee Industries Holdings Ltd.

Operations And Financial Review

The Group's gross profit increased by approximately S\$0.8 million or 11.9% from S\$6.7 million for FY2020 to S\$7.5 million for FY2021.

Operations And Financial Review

FINANCIAL PERFORMANCE

For the financial year ended 31 March 2021 (“FY2021”), Jubilee Industries Holdings Ltd. (“Jubilee” and together with its subsidiary corporations, the “Group”) recorded a revenue of S\$145.0 million, representing an increase of approximately S\$11.2 million or 8.4% as compared to S\$133.8 million recorded for the financial year ended 31 March 2020 (“FY2020”).

Revenue from the Group’s Mechanical Business Unit (“MBU”) increased by approximately S\$0.4 million or 1.6% from S\$24.7 million for FY2020 to S\$25.1 million for FY2021. The increase in revenue was due to higher sales of consumer and medical products which offset the impact of subdued sales for automotive and construction products amidst a slowdown in the automotive industry. The increase in revenue is also partly due to customers who are changing their source of purchase to the ASEAN region amidst trade tensions between the United States and China.

Meanwhile, revenue from the Group’s Electronics Business Unit (“EBU”) increased by S\$10.7 million or 9.8% from S\$109.2 million for FY2020 to S\$119.9 million for FY2021. The increase was due to a recovery in semiconductor demand as a result of limited factory capacity, longer lead times, and its progress into emerging regions such as Vietnam and India.

The Group’s cost of sales increased by approximately S\$10.4 million or 8.2% from S\$127.1 million for FY2020 to S\$137.5 million for FY2021, in line with the increase in revenue.

The Group’s gross profit increased by approximately S\$0.8 million or 11.9% from S\$6.7 million for FY2020 to S\$7.5 million for FY2021. The MBU’s gross profit remained steady at S\$2.2 million for FY2021 while the EBU’s gross profit increased by S\$0.7 million or 15.2% from S\$4.6 million for FY2020 to S\$5.3 million for FY2021.

The Group’s gross profit margin improved from 5.0% for FY2020 to 5.2% for FY2021. The MBU’s gross profit margin declined slightly from 8.7% for FY2020 to 8.6% for FY2021 while the EBU’s gross profit margin remained steady due to a large part of sales having contract pricing arrangements, increasing slightly from 4.2% for FY2020 to 4.4% for FY2021.

Other income increased by approximately S\$0.5 million from S\$0.3 million for FY2020 to S\$0.8 million for FY2021, largely due to government grants under COVID-19 support measures amounting to approximately S\$0.5 million.

The Group’s distribution and marketing expenses fell by S\$0.5 million or 55.6% from S\$0.9 million for FY2020 to S\$0.4 million for FY2021 due to cost control measures and restrictions implemented to mitigate the impact of COVID-19, including a reduction in commission payouts, business travel, entertainment expenses, and other sales related expenses.

Administrative expenses remained steady at S\$7.9 million for FY2021 while finance expenses fell by approximately S\$0.3 million or 27.3% from S\$1.1 million for FY2020 to S\$0.8 million for FY2021, largely due to a decrease in letter of credit/trust receipts financing expenses and factoring expenses.

The Group’s tax expense decreased from S\$0.3 million in FY2020 to S\$0.1 million in FY2021 due to utilisation of tax allowances brought forward.

As a result of the above, the Group narrowed its net loss by more than half from S\$3.8 million for FY2020 to S\$1.8 million for FY2021.

FINANCIAL POSITION

The Group’s current assets increased by S\$13.0 million from S\$55.5 million as at 31 March 2020 to S\$68.5 million as at 31 March 2021. Cash and cash equivalents decreased by S\$0.7 million from S\$8.4 million as at 31 March 2020 to S\$7.7 million as at 31 March 2021. The decrease was a result of repayment of bank borrowings. Financial assets at fair value through profit or loss (“FVPL”) increased by S\$9.2 million due to the reclassification of investment in associate, EG Industries Bhd, to financial assets at FVPL following loss of significant influence and fair value adjustment. Trade and other receivables decreased by S\$1.1 million due to a change in EBU’s customer mix with shorter payment terms to offset longer payment terms for certain customers in the Group. Inventories increased by S\$6.1 million as more inventories were held by both the MBU and EBU towards the year end. The EBU’s increase in inventories of S\$4.9 million was mainly due to fast moving inventories which will be sold after year end while the MBU’s increase in inventories of S\$1.2 million acted as buffer stocks to support its current customers.

Non-current assets decreased by S\$12.1 million from S\$20.6 million as at 31 March 2020 to S\$8.5 million as at 31 March 2021, mainly due to the partial disposal of shares in associated company, EG Industries Berhad amounted to S\$1.8 million and offset against the redemption of preference shares of S\$1.0 million. The retained interest of S\$6.6 million in EG Industries Berhad is then reclassified to financial assets, at FVPL resulting from loss of significant influence. Consequently, S\$3.8 million of loss on deemed disposal

Operations And Financial Review

is recognised after taking up its fair share of loss and other comprehensive income amounting to S\$0.3 million and S\$0.2 million respectively. Intangible assets decreased by S\$0.4 million from S\$1.8 million as at 31 March 2020 to S\$1.4 million as at 31 March 2021 as a result of amortisation costs of S\$0.4 million. Plant, property and equipment also decreased by S\$0.4 million as a result of the effect of depreciation costs amounting to S\$1.2 million, offset by an increase in plant, property and equipment of S\$0.8 million.

Current liabilities increased by S\$2.6 million from S\$36.2 million as at 31 March 2020 to S\$38.8 million as at 31 March 2021. The increase in trade and other payables of S\$9.0 million was offset by the decrease in borrowings of S\$6.4 million as the Group secured better supplier payment terms and shorter customer payment cycles.

Non-current liabilities increased by approximately S\$0.1 million from S\$2.3 million as at 31 March 2020 to S\$2.4 million as at 31 March 2021 due to a slight increase in borrowings.

The Group's working capital increased by S\$10.4 million from S\$19.3 million as at 31 March 2020 to S\$29.7 million as at 31 March 2021. The increase in working capital was due to the increase in financial assets at FVPL of S\$9.2 million and inventories of S\$6.1 million. These were offset by a decrease in trade and other receivables of S\$1.1 million, financial assets at FVOCI of S\$0.5 million, and cash equivalents of S\$0.7 million. The increase in trade and other payables of S\$9.0 million was offset by a decrease in borrowings of S\$6.4 million.

As a result of the above, the Group's net assets decreased by S\$1.7 million from S\$37.6 million as at 31 March 2020 to S\$35.9 million as at 31 March 2021.

CASH FLOW STATEMENT

Net cash generated from operating activities for FY2021 was S\$5.5 million, comprising of operating profit before working capital changes of S\$2.0 million and a working capital inflow of S\$3.7 million. The working capital inflow was mainly due to a decrease in trade and other receivables of S\$1.1 million, and an increase in trade and other payables of S\$9.4 million. These were offset by an increase in inventories of S\$6.8 million.

Net cash generated from investing activities of S\$1.3 million for FY2021 was mainly from proceeds of arising from the disposal of investment in an associated company, EG Industries Bhd, amounting to S\$1.3 million.

Net cash used in financing activities for FY2021 was S\$7.7 million, comprising of repayment of bank borrowings of S\$5.4 million, repayment of lease liabilities of S\$0.4 million, interest paid of S\$0.8 million, and the increase in short-term bank deposits pledged of S\$1.1 million.

As a result of the above, the Group's cash and cash equivalents decreased by S\$1.0 million from S\$6.2 million as at 31 March 2020 to S\$5.2 million as at 31 March 2021.



Milestones

- 
- FY 2021** | Jubilee bounced back from the initial impact of COVID-19, achieved higher revenue and gross profit
 - FY 2020** | Secured revenue opportunities amidst trade tensions, MBU achieved continued growth
 - FY 2019** |
 - Successfully sustained turnaround, net profit tripled
 - Acquired Honfoong Plastics Industries Pte. Ltd. to grow the Company's MBU
 - FY 2018** |
 - Achieved successful turnaround with return to black
 - Accrelist Ltd. saw significant potential in the Company and increased its stake by converting the outstanding loan into Jubilee shares
 - FY 2017** | Secured convertible loan from strategic shareholder Accrelist Ltd. to support its growth
 - FY 2016** | Terence Tea was appointed as Managing Director to lead turnaround efforts for Jubilee
 - FY 2015** | Acquired WE Components, an electronic components distributor, to enable Jubilee to provide one-stop solutions for the electronics manufacturing industry

Board Of Directors



MR. TERENCE TEA YEOK KIAN, 53

Executive Chairman & Chief Executive Officer

Academic and professional qualifications:

Ph.D. in Business Administration (Honorary) from Honolulu University

Diploma in Electronics and Electrical Engineering from Singapore

Polytechnic

Date of first appointment as director : 30 June 2014

Date of last re-election as director : 26 July 2018

Length of service (as at 31 March 2021) : 6 years 9 months

Served on the following Board Committees:

- Member - Nominating Committee

Present Directorships in other listed companies

Executive Chairman and Managing Director – Accrelist Ltd. (Listed on SGX, Singapore)

Present Principal Commitments

Executive Chairman and Managing Director - Accrelist Ltd.

Executive Chairman and CEO - Jubilee Industries Holdings Ltd. (Listed on SGX, Singapore)

Directorships in other listed companies held over the preceding five years

Executive Chairman - EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Background and experience:

Mr. Tea is the Executive Chairman and Chief Executive Officer of the Group. He is responsible for the overall growth of the Group and his main role is to determine the strategic direction of the Group, acquiring and nurturing new businesses with a view of taking them to greater heights.

Mr. Tea brings to the Group a wealth of experience in the corporate world, providing key inputs to the Board and has been instrumental in advising on corporate matters and he drives the formulation and implementation of business plans and strategies for the Group.

Mr. Tea is also the Executive Chairman and Managing Director of major shareholder Accrelist Ltd. His comprehensive knowledge and experience of the industry has aided the Group to spot growth opportunities, especially during the restructuring period of 2013 to 2017. Mr. Tea's keen vision within the business model has allowed him a comparative advantage in the Group's

advancement. In addition, Mr. Tea's tenacity has been reflected in his leadership to harness the unrealised prospects of both Accrelist and Jubilee. Both companies are still venturing to explore their fullest potentials.

Mr. Tea is also an honorary patron of the Nee Soon East Constituency, Sembawang Citizen's Consultative Committee and Singapore Productivity Association, as well as a council member of the Singapore Hokkien Huay Kuan and Chairman of Eng Yong Tong Tay Si Association. He 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. He is also the Singapore Small Medium Business Association TOP Entrepreneur. Mr. Tea was also conferred the title of Dato.



Board Of Directors



MR. CHEONG KENG CHUAN, ALFRED, 52

Lead Independent Director

Academic and professional qualifications:

*Bachelor of Commerce (Accounting and Economics) Degree,
Deakin University, Australia*

Member - Institute of Singapore Chartered Accountants

Member - The Australian Society of Certified Practising Accountants

Date of first appointment as director : 23 June 2016

Date of last re-election as director : 26 November 2020

Length of service (as at 31 March 2021) : 4 year 9 months

Served on the following Board Committees:

- Chairman – Audit Committee
- Chairman – Remuneration Committee
- Member - Nominating Committee

Present Directorships in other listed companies

Nil

Present Principal Commitments

Deputy Managing Partner - Crowe Horwath First Trust LLP

Directorships in other listed companies held over the preceding five years

- China Flexible Packaging Holdings Limited
- China Hongxing Sports Limited
- C&G Environmental Protection Holdings Limited
- Debao Property Development Ltd

Background and experience:

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.



Board Of Directors



MR. NG SIEW HOONG, LINUS, PBM, 50

Independent Director

Academic and professional qualifications

Bachelor of Laws (Hons.) Degree, University of London
 Graduate Certificate in LegalTech, Singapore Management University
 Certificate for completion of FinTech: Innovation and Transformation in Financial Services Programme, NUS Business School
 Barrister-at-law from Middle Temple, UK
 Advocate and Solicitor of the Supreme Court
 Notary Public

Date of first appointment as director : 5 August 2016

Date of last re-election as director : 26 July 2019

Length of service (as at 31 March 2021) : 4 year 7 months

Membership

- Member of the Singapore Academy of Law
- Member of the Law Society of Singapore.
- Member of the Singapore Institute of Directors
- Member of the Singapore Institute of Arbitrators
- Executive Member of Consumers Association of Singapore
- Member of BNI (Action Chapter)

Served on the following Board Committees:

- Chairman - Nominating Committee
- Member - Audit Committee
- Member - Remuneration Committee

Present Directorships in other listed companies

Nil

Present Principal Commitments

Partner - Donaldson & Burkinshaw LLP

Directorships in other listed companies held over the preceding five years

Advance SCT Limited

Background and experience:

Mr. Ng is a Corporate Partner in the Corporate and Commercial Practice, and in the Technology and Data Protection Practice,

in Donaldson & Burkinshaw LLP. His areas of practice include mergers and acquisitions (local and regional), corporate finance and governance, regulatory compliance and enforcement, employment and immigration. In his years of practice, he has advised on corporate and securities laws, equity financing in the capital markets, takeovers and listing conditions on the SGX, issuance of convertible bonds and notes, fund management advisory and cross-border investments transactions. In dispute resolutions, Linus has acted and advised individuals and corporations in mediations, judicial and arbitration proceedings in Singapore and the region. Within the technology practice, he has advised corporations and research institutions on the commercialisation of their technological breakthroughs and protection of their intellectual property rights.

Mr. Ng serves on the board of directors of both listed and private companies, as well as Institutions of Public Character. He regularly speaks and conduct talks, seminars and webinars on subjects involving the Singapore Companies Act, Employment Act, PDPA and AML/CFT legislations to trade associations and organisations, and in international conferences.

Mr. Ng is also an active grassroots leader and for his outstanding contributions as a consumer advocate, he has been conferred the Public Service Medal (Pingat Bakti Masyarakat)(PBM) in 2020 by the President of Singapore.



Board Of Directors



DATO' ALEX KANG PANG KIANG, 49

Non-Independent and Non-Executive Director

Academic and professional qualifications

Double degree in Bachelor of Commerce and Bachelor of Science from University of Auckland, New Zealand

Chartered Accountant of Malaysian Institute of Accountants

Associate Chartered Accountant of Chartered Accountant Association, New Zealand

Date of first appointment as director : 22 October 2020

Date of last re-election as director : 26 November 2020

Length of service (as at 31 March 2021) : 5 months 9 days

Served on the following Board Committees:

- Member - Audit Committee
- Member - Remuneration Committee

Present Directorships in other listed companies

- Accrelist Ltd. (Listed on SGX, Singapore)
- EG Industries Berhad (Listed on Bursa Malaysia, Malaysia)
- Thong Guan Industries Berhad (Listed on Bursa Malaysia, Malaysia)

Present Principal Commitments

CEO - EG Industries Berhad

Directorships in other listed companies held over the preceding five years

Nil

Background and experience:

Dato' Kang is the CEO of EG Industries Berhad and holds the helm for full responsibility on the overall planning and operations since July 2014. With more than 20 years of expertise in financial management, planning, corporate restructuring exercises, risk management and investor relations, he plays a key role in formulating and providing solutions for EG Industries Berhad's strategic positioning and business.

For his outstanding entrepreneurship and enthusiasm, Dato' Kang was awarded the Best Chief Executive Officer and Best Investor Relations Professional by Malaysian Investor Relations Association under the Micro-cap category of "The Investor Relations Awards 2015". In appreciation for his dedication to the business and social community, Dato' Kang was conferred the title of datukship in 2018 and an honorable POLTERA life V.I.P by Persatuan Kebajikan Keluarga Bekas Polis dan Tentera ("POLTERA") for his support, cooperation and contribution towards POLTERA's goal achievements.

In 2020, Dato' Kang was appointed a distinguished "Adjunct Professor" by AIMST University to share his business and industry insights with the future workforce and as the honorary advisor of Malaysia-China Chamber of Commerce in recognition for his rich expertise and experience in the manufacturing business globally.



Corporate Management

MS. SNG EE LIAN, ELIANE

Group Financial Controller

Ms. Sng Ee Lian, Eliane (“Ms. Sng”) is the Group Financial Controller and heads the finance department for the daily finance functions of the Group. Ms. Sng is a senior executive with 20 years of work experience in finance, public accounting, administration and costing in electronics contract manufacturing and wholesale electronics distribution industries. She held the position of Group Finance Manager of the Plexus Group and was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on NASDAQ.

Ms. Sng holds a Bachelor of Accountancy from Bentley College, USA and LLB from University of London.

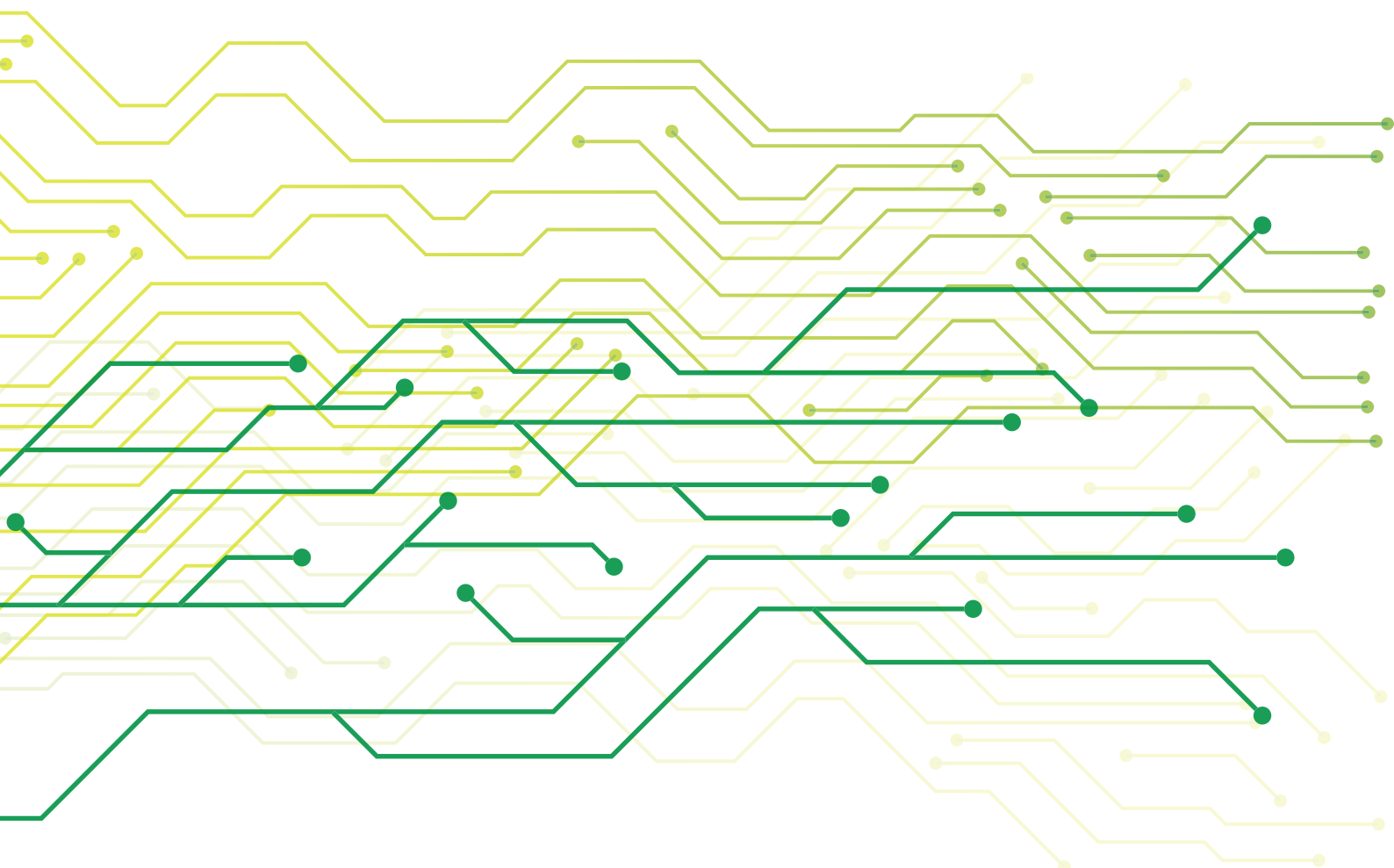
MR. LEE, SANG SUP

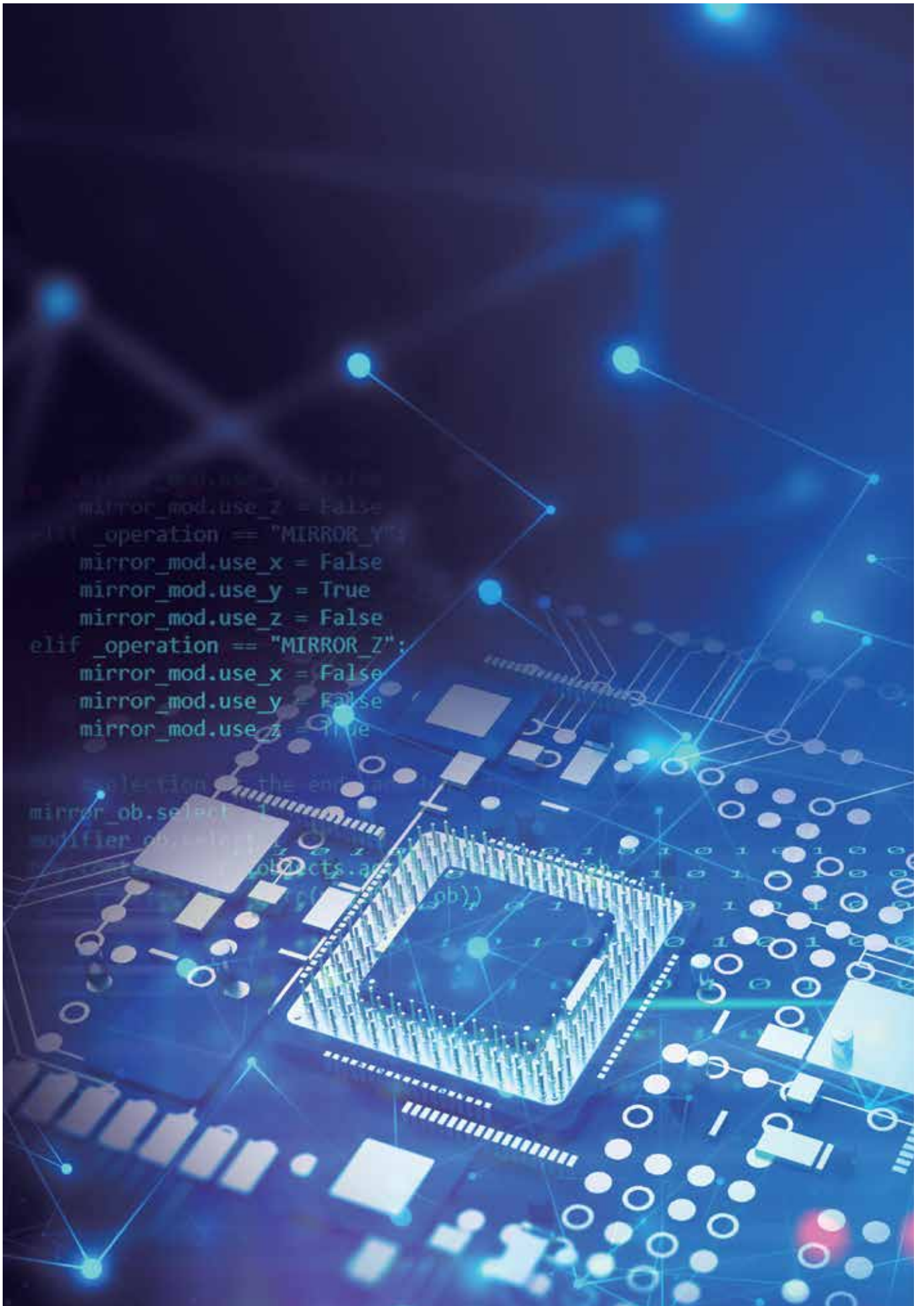
Senior Vice President

Mr. Lee Sang Sup (“Mr. Lee”) joined the Group as Senior Vice President of WE Components Pte. Ltd. on 1 March 2018, heading the Electronics Business Unit (EBU) for the business operations, sales and marketing activities of the unit.

Mr. Lee has more than 30 years of experience in the semiconductor industry in Asia holding key positions in sales and marketing roles with organizations such as SK Hynix - a global leader in the semiconductor market.

Mr. Lee holds a bachelor degree in International Economics Law & English from HANKUK University of Foreign Studies in South Korea.





```
mirror_mod.use_x = False
mirror_mod.use_y = False
mirror_mod.use_z = False
elif _operation == "MIRROR_Y":
    mirror_mod.use_x = False
    mirror_mod.use_y = True
    mirror_mod.use_z = False
elif _operation == "MIRROR_Z":
    mirror_mod.use_x = False
    mirror_mod.use_y = False
    mirror_mod.use_z = True

# selection of the end of
mirror_ob.select(1)
modifier ob.select(1)
objects.a
p(ob)
```

Corporate Directory

SINGAPORE

Jubilee Industries Holdings Ltd. (Head Office)

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

Jubilee Industries (S) Pte. Ltd.

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

J Capital Pte. Ltd.

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

E'mold Holding Pte. Ltd.

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

WE Components Pte. Ltd.

10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 65 6311 2905
Email: SGP.sales@weh.sg

WE Microelectronics Pte. Ltd.

10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 65 6311 2905
Email: SGP.sales@weh.sg

HonFoong Plastic Industries Pte. Ltd.

10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2900
Fax: (65) 65 6311 2905

MALAYSIA

JOHOR

WE Total Engineering Sdn. Bhd.

No. 10, Jalan Istimewa 7
Taman Perindustrian
Cemerlang
81800 Ulu Tiram, Johor
Malaysia
Tel: (607) 861 3870
Fax: (607) 863 2750

PENANG

WE Components (Penang) Sdn. Bhd.

62-1 Persiaran Bayan Indah
Bayan Bay
Sungai Nibong Penang 11900
Tel: (604) 646 9888
Fax: (604) 646 9298
Email: MAL.sales@weh.sg

PEOPLE'S REPUBLIC OF CHINA

SHANGHAI

WE Components (Shanghai) Co. Ltd.

Room 1001A/10F, Desay
Building
South No 1 Road, High-Tech
Industrial Park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

SHENZHEN

WE Components (Shenzhen) Co. Ltd.

Room 1001A/10F, Desay
Building
South No 1 Road, High-Tech
Industrial Park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

WE Components (Hong Kong) Limited

Room 1001A/10F, Desay
Building
South No 1 Road, High-Tech
Industrial Park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 299 5835
Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

Kin Wai Technology Ltd.

Room 1001A/10F, Desay
Building
South No 1 Road, High-Tech
Industrial Park
Nanshan District, Shenzhen
China, P.R.C.518057
Tel: (86) 7558 304 8857
Fax: (86) 7558 304 8854

WUHAN

WE Components (Shenzhen) Co. Ltd.

A2102#, Optics Valley Shidai
Plaza
111# Guan Shan Da Dao Road,
Hong Shan Zone, WuHan, China
P.R.C.430074
Tel: (86) 0278 7322 753
Fax: (86) 0278 7584 700
Email: CHN.sales@weh.sg

INDIA

BANGALORE

WE Components India Pvt. Ltd.

No. 20, Lakshmi, 2nd Floor,
Shankarmutt Road,
Shankarpuram,
Basavanagudi,
Bangalore – 560004
Tel : (91) 080 2667 7767
Email:: IND.sales@weh.sg

DELHI

WE Components India Pvt. Ltd.

C-134 Ground Floor
Sector-19, Noida – 201301, U.P
India
Tel: (91) 120 427 0600/02
Fax: (91) 120 427 0605
Email: IND.sales@weh.sg

INDONESIA

PT HonFoong Plastic Industries

Jalan Gaharu, Lot 232, 233,
Jalan Kenanga Lot 247,
Batamindo Industrial Park,
Mukakuning, Batam 29433
Indonesia
Tel : (62) 611448
Fax : (62) 611260

THAILAND

WE Components Co. Ltd

19/1-2, FL 2nd A,B Wangdek Bld
2. Viphavadee-Rangsit Rd,
Jomphol Jatujak, Bangkok
10900, Thailand
Tel: (662) 617 4267-70
Fax: (662) 617 4271
Email: THL.sales@weh.sg

VIETNAM

WE Components Pte. Ltd.

Room 1606, Floor 16, Daeha
Building,
360 Kim Ma,
Ba Dinh, Hanoi, Vietnam
Tel: (84) 989 589 222
Email: quang.doan@weh.sg

Corporate Governance Report

INTRODUCTION

The Board of Directors (the “**Board**”) of Jubilee Industries Holdings Ltd. (the “**Company**”, together with its subsidiary corporations, the “**Group**”) are committed to maintaining high standard of corporate governance within the Company and the Group. Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and protect the interests of the Company’s shareholders (the “**Shareholders**”). In this respect, the Company adopts the practices based on the Singapore Code of Corporate Governance 2018 (the “**Code**”).

This report outlines the Company’s corporate governance practices for the financial year ended 31 March 2021 (“**FY2021**”) with specific reference made to the principles and provisions of the Code issued on 6 August 2018, and the accompanying practice guidance that was issued in August 2018, which formed part of the continuing obligations of the Listing Manual – Section B: Rules of the Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). 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 confirms that it has adhered to the principles and provisions as set out in the Code and the Catalist Rules, where applicable for FY2021. Appropriate explanations have been provided in the relevant sections below when there are deviations from the Code and/or the Catalist Rules.

BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

The primary role of the Board is to provide entrepreneurial leadership, set strategic aims, and ensure that the necessary financial and human resources are in place for the Company to meet its objectives so as 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*:-

- review of Management performance;
- approval of the Group’s strategic objectives;
- approval 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 buybacks;
- 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-year/full year’s results announcements; annual reports and accounts, including the corporate governance report;
- contracts regarding acquisitions or disposals of tangible assets and 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;
- determining 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;
- identification of key stakeholder groups and recognise that their perceptions affect the company’s reputation;
- setting the Company’s values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and
- consideration of sustainability issues as part of its strategic formulation.

Corporate Governance Report

Matters that require the Board's decision or approval are those involving:-

- corporate strategy and business plans;
- investment and divestment proposals;
- capital structure and funding decisions of the Group;
- announcement of half-year and full year results, the annual report and financial statements;
- material acquisition and disposal of assets;
- all matters of strategic importance;
- corporate governance;
- interested person transactions; and
- transactions of a material nature that requires announcement under the Catalist Rules.

For the effective execution of responsibilities and to enhance the Company's corporate governance framework, the Board has established an Audit Committee ("**AC**"), Nominating Committee ("**NC**"), and Remuneration Committee ("**RC**") (collectively referred herein as "**Board Committees**"). The Board Committees are actively engaged and play an important role in the execution of responsibilities to ensure good corporate governance in the Company and within the Group. 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. The Board accepts that while these various Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

All Directors exercise due diligence and independent judgement in dealing with the business affairs and make decisions objectively to discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Group. The Board puts in place a code of conduct and ethics, set appropriate tone-from-the-top and desired organizational culture, and ensures proper accountability within the Company.

The Company has in place practices to address potential conflicts of interest. All Directors are required to notify the Company promptly of all conflicts of interests and declare any conflict of interests as soon as they are aware of the circumstances giving rise to such conflict. In matters where the relevant Director has a conflict of interest in, he/she is required to recuse himself/herself and abstain from all deliberations and voting on such matters.

As at the date of this report, the Board comprises of four members. 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	Executive Chairman and Chief Executive Officer	–	Member	–
2	Mr Cheong Keng Chuan, Alfred	Lead Independent Director	Chairman	Member	Chairman
3	Mr Ng Siew Hoong, Linus	Independent Director	Member	Chairman	Member
4	Dato' Alex Kang Pang Kiang	Non-Executive and Non-Independent Director	Member	–	Member

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 Committees meetings may be held to address significant transactions or issues as and when required. Telephonic attendance and conference via audio communication at Board meetings are allowed under the Company's Constitution. The Board and Board Committees may also make decisions through circulating resolutions. Directors with multiple board representations ensure that sufficient time and attention are given to the affairs of each company.

Corporate Governance Report

Details of the number of Board and Board Committees 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 Terence Tea Yeok Kian	3	3	3	3*	3	3*	3	3
Mr Cheong Keng Chuan, Alfred	3	3	3	3	3	3	3	3
Mr Ng Siew Hoong, Linus	3	3	3	3	3	3	3	3
Dato' Alex Kang Pang Kiang	3	2	3	2	3	2	3	2

*By Invitation

Briefings and updates provided to the Directors in FY2021 included the Management updating the Board at each meeting on business and strategic developments pertaining to the Group's business. The Management provides the Directors with complete, adequate and timely information prior to meetings and on an on-going basis to enable them to make informed decisions and discharge their duties and responsibilities. The Company also 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.

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, training would be provided which include areas such as accounting, legal and industry-specific knowledge where appropriate. The Company will arrange for any new director with no prior experience of serving as a director in a listed company to attend appropriate courses, conferences or seminars, at the expense of the Company to enable him/her to discharge his/her duties effectively. Newly appointed Directors will be provided with a formal letter setting out their duties and obligations.

The Company encourages existing Directors to attend relevant training courses 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 FY2021, the Directors had attended relevant courses and received updates on regulatory changes to the Catalyst Rules and changes to the accounting standards relevant to the Group.

The Directors, either collectively or individually have separate and independent access to the Management, the company secretaries, and external advisers (where necessary) at the company's expense. The appointment and removal of the company secretary(ies) is subject to the Board's approval.

Principle 2: Board Composition and Guidance

As at the date of this report, the Board had four members, comprising two Independent Directors making up half of the Board, as follows:

Mr Terence Tea Yeok Kian	Executive Chairman and Chief Executive Officer
Mr Cheong Keng Chuan, Alfred	Lead Independent Director
Mr Ng Siew Hoong, Linus	Independent Director
Dato' Alex Kang Pang Kiang	Non-Executive and Non-Independent Director

The Board considers an "Independent Director" as one who has no relationship with the Company, its related companies, its substantial shareholders of not less than 5% of the total votes attached to all voting shares (excluding treasury shares) in the Company, or its officers that could interfere or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in carrying out the functions as an independent director with a view to the best interests of the Group.

Corporate Governance Report

The independence of each Director is assessed and reviewed annually by the Board through the NC. The NC adopts the Code's definition of independence in its review. Each Independent Director is required to complete a Director's independence checklist annually to confirm his independence based on the provisions as set out in the Code. Based on the respective confirmations and results of the NC's review, the NC is satisfied that the Independent Directors comply with Provision 2.1 of the Code.

The NC has reviewed the completed forms and concurred on the independence status of the two Independent Directors. The NC notes that Provision 2.2 of the Code states that the Independent Directors should make up a majority of the Board where the Chairman of the Board is not an Independent Director. Although Independent Directors do not make up a majority of the Board, the Board is of the opinion that there is sufficiently strong independent element for it to function effectively. In addition, non-executive directors also make up a majority of the Board. Therefore, the Board believes that the process of decision making has been independent and has been based on a collective decision without any individual dominating the Board's decision-making.

The Board and its Board Committees comprises of 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, legal framework, business experience, and industry knowledge. At meetings of the Board and Board Committees, the Independent Directors endeavor 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 Non-Executive Director and Independent Directors, led by the Lead Independent Director may meet without the presence of Management, and the Lead Independent Director will provide feedback to the Board and/or Chairman as appropriate.

The Board noted that gender diversity on the Board is also one of the recommendations under the Code to provide an appropriate balance and diversity. Although there is currently no female Director appointed to the Board, the Board shall consider the possibility of appointing a female Director if a suitable candidate is nominated.

Notwithstanding that the Company has not adopted a formal board diversity policy, the Company recognises and embraces the importance and benefits of having a diverse Board to enhance the quality of its performance. In reviewing the appointments to the board and the continuation of these appointments, the Board together with the Nominating Committee take into consideration factors including skills, core competencies, knowledge, professional experience, educational background, gender, age and length of service into account in the selection and appointment of Directors, to ensure that the Board and Board Committees are of an appropriate size, and comprise directors who as a group provide the appropriate balance, mix of skills, knowledge, experience, and other aspects of diversity such as gender and age, to avoid groupthink, foster constructive debate and to function effectively to make informed decisions overseeing the Group's business.

The Independent Directors are encouraged to meet periodically without the presence of the Management. The Chairman of such meetings will provide feedback to the Board and/or Chief Executive Officer as appropriate.

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

Key information of Directors are set out in pages 10 to 13 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

The Executive Chairman and Chief Executive Officer of the Company is Mr Terence Tea Yeok Kian ("**Mr Tea**"), who leads the Board and is responsible for the effective working of the Board. The Board is of the view that the accountability and independence have not been compromised despite the Chairman and Chief Executive Officer being the same person. The Chairman and Chief Executive Officer have defined responsibilities which, during his tenure so far, have not conflicted with each other. Major business proposals are discussed at Board meetings before decisions are made.

The Board believes there is sufficient element of independence and adequate safeguards against a concentration of power in one single person. As the Chairman, Mr Tea's responsibilities, among others, include the following:

- scheduling meetings and leading the Board to ensure its effectiveness and approving the agenda of Board meetings in consultation with Management;
- 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;
- ensuring that Board members engage Management in constructive debate on various matters including strategic issues and business planning processes;
- promoting high standard of corporate governance; and
- ensure effective communication with shareholders.

Corporate Governance Report

The Chief Executive Officer is responsible for the operations and oversees the day-to-day management of the business operations. He is instrumental in formulating strategies, business development, goals and performance targets and ensuring objectives are met.

Pursuant to Provision 3.3 of the Code, as the Chairman is non-independent, the Board has appointed Mr Cheong Keng Chuan, Alfred as the Lead Independent Director and is of the view that there is sufficiently strong independent element on the Board to enable the independent exercise of objective judgement on corporate affairs of the Group by members of the Board, taking into account factors such as the number of Independent Directors on the Board, as well as the size and scope of the affairs and operations of the Group.

The Lead Independent Director is available to shareholders where they have concerns which contact through the normal channels of the Chairman and Chief Executive Officer or Group Financial Controller has failed to resolve or for which such contact is not appropriate.

BOARD COMMITTEES

Nominating Committee

Principle 4: Board Membership

Principle 5: Board Performance

As at the date of this report, the NC comprises three members, two of whom (including the NC Chairman) are independent directors. The Lead Independent Director is also a member of the NC. The members of the NC are: -

Mr Ng Siew Hoong, Linus	Independent Director	(Chairman)
Mr Terence Tea Yeok Kian	Executive Chairman and Chief Executive Officer	(Member)
Mr Cheong Keng Chuan, Alfred	Lead Independent Director	(Member)

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

- Review of succession plans for Directors and make recommendations to the Board on all Board appointments and re-appointments taking into account the Director's contribution and performance;
- reviewing the Board structure, size and composition, having regard to the principles of corporate governance under the Code;
- identifying and nominating candidates for the approval of the Board to fill vacancies in the Board as and when they arise;
- determining, on an annual basis, whether a Director is independent based on the circumstances set forth in the Code;
- recommending Directors who are retiring by rotation to be put up for re-election;
- 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;
- 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; and
- reviewing training and professional development programmes for the Board.

In assessing each individual director's contribution and performance when considering the re-election of any Director, the NC considers, amongst others, the attendance and participation at Board and Board Committees meetings, his qualification, experience and expertise, 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. The Chairman of the Board would consider the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

When a vacancy arises under any circumstances, 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

The role of the NC also includes the responsibilities of reviewing the re-nomination of Directors who retire by rotation, taking into consideration the Director's integrity, independence, mindedness, contribution and performance. 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. Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

The NC has recommended the nomination of Mr Terence Tea Yeok Kian ("**Mr Tea**") and Mr Ng Siew Hoong ("**Mr Ng**") who would be retiring pursuant to Regulation 89 of the Company's Constitution for re-election at the forthcoming AGM to be held on 30 July 2021. In making the recommendations, the NC had considered Mr Tea and Mr Ng's overall contribution and performance. The recommendations of the aforesaid nomination have been accepted by the Board. Mr Tea will, upon re-election as a Director, remain as the Executive Chairman and Chief Executive Officer and a member of the Nominating Committee while Mr Ng will, upon re-election as a Director, remain as the Independent Non-Executive Director, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Key information on Mr Tea and Mr Ng, who are eligible and offer themselves for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rules are set out below. Further details of Mr Tea and Mr Ng are disclosed in the Directors' Profile on pages 10 and 12 of this Annual Report.

Additional Information on Directors seeking Re-election

The table below summarizes the following Directors who will be seeking re-election as Directors of the Company pursuant to Catalist Rule 720(5), the information as set out in Appendix 7F to the Catalist Rules set out below:

Name of Director	Terence Tea Yeok Kian	Ng Siew Hoong
Date of appointment	30 June 2014	5 August 2016
Date of last re-appointment (if applicable)	26 July 2018	26 July 2019
Age	53	50
Country of principal residence	Singapore	Singapore
The Board's comments on the NC's recommendation for re-election	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Tea's performance as the Executive Chairman and Chief Executive Officer of the Company.	The Board has accepted the NC's recommendation, who has reviewed and considered Mr Ng's performance as an Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive. Mr Tea is responsible for charting the strategic directions of the Group.	Non-Executive
Job title	Executive Chairman and Chief Executive Officer and member of Nominating Committee	Independent Director, Chairman of Nominating Committee and member of Audit and Remuneration Committees
Professional qualifications	<ol style="list-style-type: none"> Ph.D. in Business Administration (Honorary) from Honolulu University Diploma in Electronics and Electrical Engineering from Singapore Polytechnic 	<p>Academic Qualifications Bachelor of Laws (Hons.) Degree, University of London</p> <p>Graduate Certificate in LegalTech, Singapore Management University</p> <p>Certificate for completion of FinTech: Innovation and Transformation in Financial Services Programme, NUS Business School</p> <p>Professional Qualifications Barrister-at-law from Middle Temple, UK</p> <p>Advocate and Solicitor of the Supreme Court Notary Public</p>

Corporate Governance Report

Working experience and occupation(s) during the past 10 years	<p>2014 to 2020 – Executive Chairman of EG Industries Berhad</p> <p>2014 to Present – Executive Chairman and Chief Executive Officer of Jubilee Industries Holdings Ltd</p> <p>2013 to Present – Executive Chairman and Managing Director of Accrelist Ltd</p>	<p>2006 to 2011 – Partner of Robert Wang & Woo Partners</p> <p>2011 to 2011 – Partner of Harry Elias Partnership</p> <p>2012 to 2014 – Director of Clasis LLC</p> <p>2014 to 2017 – Partner of Robert Wang & Woo LLP</p> <p>2017 to Present – Partner of Donaldson & Burkinshaw LLP</p>
Shareholding interest in the listed issuer and its subsidiaries	Mr Tea holds 172,500 shares of the Company and is deemed to be interested in 166,818,931 shares held by Accrelist Ltd., pursuant to Section 7 of the Companies Act, Chapter 50 by virtue of his and his spouse's shareholdings in Accrelist Ltd.	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Other Principal Commitments Including Directorships	<p>Other Principal Commitment:</p> <ul style="list-style-type: none"> • Executive Chairman and Managing Director of Accrelist Ltd. <p>Present Directorship:</p> <ul style="list-style-type: none"> • A.M Skincare Pte. Ltd. (f.k.a. A Skin Products Pte. Ltd.) • Accrelist Medical Aesthetics (BM) Pte. Ltd. • Accrelist Medical Aesthetics (CM) Pte. Ltd. • Accrelist Medical Aesthetics (Lot1) Pte. Ltd. • Accrelist Medical Aesthetics (Raffles City) Pte. Ltd. (f.k.a. A Tech Media Pte. Ltd.) • Accrelist Medical Aesthetics (Serangoon) Pte. Ltd. (f.k.a. WE Resources Pte. Ltd.) • Accrelist Medical Aesthetics (TPY) Pte. Ltd. • Accrelist Medical SPA Pte. Ltd. • WE Components Pte. Ltd. • WE Dragon Resources Pte. Ltd. • WE Microelectronics Pte. Ltd. • WE Resources Sdn. Bhd. • WE Components (Penang) Sdn. Bhd. • WE Components Sdn. Bhd. • Accrelist Aesthetics (KL) Sdn. Bhd. • Accrelist Aesthetics (Penang) Sdn. Bhd. • Ozhean Accrelist Aesthetics Sdn. Bhd. • WE Resources (Cambodia) Co. Ltd. • WE Components Co. Ltd. • WE Components (Hong Kong) Limited • WE Components (Shanghai) Co. Ltd. • WE Components (Shenzhen) Co. Ltd. • WE Total Engineering Sdn. Bhd. • E'Mold Manufacturing (Kunshan) Co. Ltd. 	<p>Other Principal Commitment:</p> <ul style="list-style-type: none"> • Partner of Donaldson & Burkinshaw LLP <p>Present Directorship:</p> <ul style="list-style-type: none"> • L'ikigai (III) Corporation Pte. Ltd. • L'ikigai (IV) Corporation Pte. Ltd. • Mercy Relief Limited <p>Past Directorship (for the past 5 years):</p> <ul style="list-style-type: none"> • Advance SCT Limited • Nexus Diagnostic Pte. Ltd. • Agent Video Intelligence Pte. Ltd. • L'ikigai (II) Corporation Pte. Ltd. • Livingstone Health Holdings Limited • Mrkings Science and Technology Pte. Ltd. • New Trend Lifestyle Pte. Ltd. • Open4sale International Pte. Ltd.

Corporate Governance Report

	<p>Past Directorship (for the past 5 years):</p> <ul style="list-style-type: none"> • Accrelist Crowdfunding Pte. Ltd. • E'Mold Holding Pte. Ltd. • Honfoong Plastic Industries Pte. Ltd. • J Capital Pte. Ltd. • Jubilee Industries (S) Pte. Ltd. • PT Honfoong Plastic Industries • EG Industries Berhad • SMT Technologies Sdn Bhd. • SMT Industries Co., Ltd. • EG Electronics Sdn. Bhd. • EG R&D Sdn. Bhd. • EG Operations Sdn. Bhd. • Mastimber Industries Sdn. Bhd. 	
<p>Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any questions is "yes", full details must be given</p>		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No

Corporate Governance Report

(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No

Corporate Governance Report

(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether has ever been the subject of any order judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-		
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	Yes Refer to the Company's Announcements: (a) Announcement reference no. SG1406300THREYNR dated 30 June 2014, para 2 of Appendix A; and (b) Announcement reference no. SG2003030THRY0WG dated 03 March 2020	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No

Corporate Governance Report

(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity of business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	Yes	Yes
If yes, please provide details of prior experience.	Mr Tea is presently a director of Accrelist Ltd. and Jubilee Industries Holdings Ltd., both of which are listed on the Catalist of SGX-ST.	Independent Director of Advance SCT Limited
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed by the Exchange.	N.A.	N.A.
Please provide details of relevant experience and the NC's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.	N.A.

Mr Tea and Mr Ng had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance and re-election as a Director.

The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the definition and criteria set forth in Provision 2.1 of the Code and any other salient factors. The Independent Directors, namely

Corporate Governance Report

Mr Ng Siew Hoong, Linus and Mr Cheong Keng Chuan, Alfred, have confirmed that they do not have any relationship with the Company, its related companies, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interests of the Company. The NC has reviewed and determined that the said Directors are independent.

All Directors are required to declare their board representations. When a Director has multiple listed company board representations, the NC will consider whether the Director is able to adequately carry out his duties as a Director of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments. The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple listed company board representations and other principal commitments. The NC and the Board will continue to review from time to time the listed company board representations and other principal commitments of each Director to ensure that the Directors continue to meet the demands of the Group and are able to discharge their duties adequately. In view that the current Board was constituted in 2016, the NC and the Board will review from time to time if there is a need to set a maximum number of listed company directorships a Director should hold.

There is no alternate director on the Board.

Corporate Governance Report

Key information regarding the Directors, including their present and past five years' directorships in other listed companies and principal commitments are set out on pages 10 to 13 and below:

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past five years	Current
Terence Tea Yeok Kian	Executive Chairman and Chief Executive Officer	30 June 2014	26 July 2018 (Due for re-election at the forthcoming AGM)	Accrelist Ltd.	EG Industries Berhad (a company listed on Bursa Malaysia)	Accrelist Ltd. WE Components Pte. Ltd. A.M Skincare Pte. Ltd. Accrelist Medical Aesthetics (Serangoon) Pte. Ltd. Accrelist Medical Aesthetics (Raffles City) Pte. Ltd.
Cheong Keng Chuan, Alfred	Lead Independent Director	23 June 2016	26 November 2020	–	Debao Property Development Ltd China Flexible Packaging Holdings Limited (delisted) China Hongxing Sports Limited (delisted) C&G Environmental Protection Holdings Limited (delisted)	Deputy Managing Partner, Crowe Horwath First Trust LLP
Ng Siew Hoong, Linus	Independent Director	5 August 2016	26 July 2019 (Due for re-election at the forthcoming AGM)	–	Advance SCT Limited	Partner, Donaldson & Burkinshaw LLP

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 five years	Current
Dato' Alex Kang Pang Kiang	Non-Executive and Non-Independent Director	22 October 2020	26 November 2020	EG Industries Berhad (a company listed on Bursa Malaysia) Thong Guan Industries Berhad (a company listed on Bursa Malaysia) Accrelist Ltd.	–	CEO, EG Industries Berhad

The Board has implemented a collective questionnaire assessment process for assessing its effectiveness as a whole, and of each Board Committee separately, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board. Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole, and of each Board Committee and individual directors. The results of the evaluations are used constructively by the NC to identify potential areas of improvements to the Board to take the appropriate action. The assessment of the Board's performance focused on a set of performance criteria for the Board evaluation which includes the Board structure, strategy and performance, governance on Board risk management & internal controls, information to the Board, Board procedures, Chief Executive Officer and Directors' standard of conduct.

The assessment criteria for each Board Committee focuses on the nature of the respective roles and responsibilities of the AC, NC and RC. The annual assessment of individual Directors considers, among others, each Director's attendance as well as generation of constructive debate/participation for meetings of the Board and Board Committees, contribution, initiative, responsiveness of Director, knowledge of senior management and Company's business, and the Directors' self-assessment.

Following the review of FY2021, the Board is of the view that the Board and its Board Committees operate effectively, and each Director is contributing to the overall effectiveness of the Board.

No external facilitator was engaged for the purpose of Board assessment in FY2021. If the need arises, the NC has full authority to engage an external facilitator to assist the NC to carry out the evaluation process at the Company's expense.

Remuneration Committee

Principle 6: Procedures for Developing Remuneration Policies

Principle 7: Level and Mix of Remuneration

Principle 8: Disclosure on Remuneration

As at the date of this report, the RC comprises of three members, two of whom (including the Chairman) are independent directors. The members of the RC are:-

Mr Cheong Keng Chuan, Alfred	Lead Independent Director	(Chairman)
Mr Ng Siew Hoong, Linus	Independent Director	(Member)
Dato' Alex Kang Pang Kiang	Non-Executive and Non-Independent Director	(Member)

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

- recommend 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 (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 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.

Corporate Governance Report

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

In setting remuneration packages, the Company takes into account pay and employment conditions, including termination terms, within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and key management personnel. The RC has full authority to engage any external professional to advise on matters relating to remuneration as and when the need arises, and the expense of such services shall be borne by the Company. For FY2021, the RC did not seek any external professional advice on remuneration of the Directors.

The Non-Executive and Independent Directors receive Directors' fees in accordance with their contribution, considering factors such as effort, time spent and responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain such 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 Management Personnel, their working hours, medical benefits, grounds for termination and certain restrictive covenants.

Having reviewed and considered that the variable components of the remuneration packages for the Key Management Personnel 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.

Directors' Remuneration

Provision 8.1 of the Code recommends that companies fully disclose the remuneration of each individual Director and the Chief Executive Officer on a named basis.

The Board believes that it is for the benefit of the Company not to disclose in absolute number, the remuneration breakdown of the Directors, due to its sensitive nature. After taking into account the reasons for non-disclosure stated above, the Board is of the view that the current disclosure of the remuneration presented herein in this report is sufficient to provide Shareholders information on the Group's remuneration policies, as well as the level and mix of remuneration. Accordingly, the Board is of the view that the Company complies with Principle 8 of the Code.

The breakdown (in percentage terms) of the remuneration bands of the directors of the Company for FY2021 is set out in the table below:

Name of Director	Salary	Bonus	Fringe Benefits	Director's fees ⁽¹⁾	Total remuneration
	%	%	%	%	%
More than S\$500,000 and below S\$1,000,000					
Terence Tea Yeok Kian	90		10	0	100
Less than S\$250,000					
Cheong Keng Chuan, Alfred	0	0	0	100	100
Ng Siew Hoong, Linus	0	0	0	100	100
Dato' Alex Kang Pang Kiang	0	0	0	100	100

⁽¹⁾ The Director's fees are approved by shareholders at the FY2020 Annual General Meeting.

Key Management Personnel Remuneration

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.

Provision 8.1 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 Chief Executive Officer) in bands of S\$250,000 and in aggregate the total remuneration paid to the top five key management personnel (who are not Directors or the Chief Executive Officer). As best practice, companies are encouraged to fully disclose the remuneration of the said top five key management personnel.

Corporate Governance Report

The breakdown (in percentage terms) of the remuneration bands of the key management personnel of the Group (who are not Directors or the Chief Executive Officer) for FY2021 are set out below:

Name of Key Management Personnel	Salary	Bonus	Fringe benefits	Total remuneration
	%	%	%	%
Above S\$250,000 and below S\$500,000				
Lee Sang Sup	73	0	27	100
Less than S\$250,000				
Sng Ee Lian Eliane	99	0	1	100

Ms Serene Tea Lay Sin, sister of Mr Terence Tea Yeok Kian, Executive Chairman and Chief Executive Officer and substantial shareholder of the Company, is an employee of the Company whose remuneration exceeded S\$100,000 during FY2021. Her remuneration was in the band of S\$100,000 to S\$150,000.

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". No shares have been granted to the employees and Directors during FY2021. Information on the Jubilee Share Award Scheme is set out in the Directors' Statement.

The remuneration packages and the compensation structure of the key management personnel comprises of a fixed salary, bonus and other benefits. The bonus component is based on the performance of the Group as a whole and their individual performance. This is designed to align remuneration with the interests of the Shareholders and link rewards to corporate and individual performance so as to promote long-term sustainability of the Group.

ACCOUNTABILITY AND AUDIT

Principle 9: 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 information technology risks and risk management policies and systems. The AC 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 and reporting to the Board annually its observations and on any matters under its purview as well as, where necessary, making recommendations to the Board as it deems fit.

The AC ensures that a review of the effectiveness of the Company's internal controls and risk management framework is conducted at least once a 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 Board has received assurance from the Executive Chairman and Chief Executive Officer and the Group Financial Controller 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.

In addition, the Executive Chairman and Chief Executive Officer and the key management personnel who are responsible have also given assurance to the Board regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal auditors and independent auditor during the financial year and the assurance from the Executive Chairman and Chief Executive Officer and the Group Financial Controller, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls and risk management in place are adequate and effective to address

Corporate Governance Report

the financial, operational, compliance and information technology risks and risk management system for the type and volume of business that the Group currently operates. The system of internal controls and risk management established by the Group provides reasonable 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.

The independent auditor 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 are reported to the AC.

The Board understands that it may establish a separate board risk committee or otherwise assess appropriate means to assist it in carrying out its responsibility of overseeing the Company's risk management framework and policies. The Company does not have a separate board risk committee and will look into the need for establishment for a separate board risk committee when the need arises.

Principle 10: Audit Committee

As at the date of this report, the AC comprises of three members, two of whom (including the Chairman) are independent directors. There are no members in the AC who is a former partner or director of the Company's existing auditing firm. There are also no members in the AC who have any financial interest in the Company's existing auditing firm. The members of the AC are: -

Mr Cheong Keng Chuan, Alfred	Lead Independent Director	(Chairman)
Mr Ng Siew Hoong, Linus	Independent Director	(Member)
Dato' Alex Kang Pang Kiang	Non-Executive and Non-Independent Director	(Member)

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

- review with the independent/internal auditors the audit plans, their evaluation of the system of internal controls, and their audit report including the scope and results of the external/internal audit, the independence and objectivity of the independent/internal auditors;
- review the financial statements 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 and position, before submission to the Board for approval;
- review the internal control procedures, its scope and the results and to ensure co-ordination between the independent/internal auditors and the Management; and review the assistance given by Management to the independent/internal auditors, and discuss problems and concerns, if any, arising from the audits;
- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls and risk management systems;
- review the effectiveness of the Company's internal audit function;
- review and discuss with the independent auditor 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;
- make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the external/internal auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- review potential conflicts of interest, if any;
- 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;
- 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;
- review the assurance from the Executive Chairman and Chief Executive Officer and the Group Financial Controller on the financial records and financial statements; and
- making recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of independent auditor; and (ii) the remuneration and terms of engagement of the independent auditor.

Corporate Governance Report

The Board considers Mr Cheong, who has practical financial management knowledge and experience, qualified to chair the AC. The Board is satisfied that the AC members collectively have the relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

The AC also has explicit authority to investigate any matters within its terms of reference, full access to and co-operation of the Management and full discretion to invite any Director or Key Management Personnel to attend its meetings.

The AC has reviewed the key audit matters disclosed in the independent auditor's report and is of the view that there is no material inconsistency between the audit procedures adopted by the independent auditor and Management's assessment and is satisfied that the key audit matters have been appropriately dealt with.

The AC meets the internal auditors and independent auditor, without the presence of the Management, at least once a year. The AC has reasonable resources to enable it to discharge its function properly.

As at 31 March 2021, the Company paid S\$185,500 to Nexia TS Public Accounting Corporation for its statutory audit services and S\$25,700 for the non-audit services provided by Nexia TS Tax Services Pte. Ltd. and Nexia TS Risk Advisory Pte. Ltd.

The AC has reviewed the non-audit services in relation to tax compliance services provided by the independent auditor, 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 independent auditor. The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its appointment of independent auditor. Accordingly, the AC has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as the independent auditor for the ensuing financial year at the forthcoming AGM of the Company.

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 is independent, has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience. The AC will also approve the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.

The AC has outsourced the performance of the internal audit functions of the Group to Deloitte Enterprise Risk Services Sdn. Bhd. The internal auditor will report directly to the AC and administratively to the Executive Chairman and Chief Executive Officer of the Company. To ensure the adequacy of the internal audit function, the AC had reviewed and approved the internal audit plan before the internal audit commenced. The AC, on an annual basis, will assess the adequacy and effectiveness of the internal audit and the internal auditors' independence, the qualification and experiences of internal audit team assigned and the internal auditors' reports and its relationship with the internal auditors. The AC conducted a review and concluded that the internal audit function is adequately resourced, effective and has appropriate standing within the Group. The Internal Auditor has unfettered access to all the Company's documents, records, properties and personal, including access to the AC.

The internal audit work carried out in FY2021 was guided by the International Standards for the Professional Practice of Internal Auditing 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

Corporate Governance Report

whistle-blowing officers, members 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 both independent 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 semi-annual basis, the AC reviews the interested person transactions and the financial results announcement before their submission to the Board for approval. In the event that a member of the Audit Committee is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The AC is kept abreast by the Management, the independent auditor and 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.

SHAREHOLDER RIGHTS AND ENGAGEMENT MANAGING STAKEHOLDERS RELATIONSHIPS

Principle 11: Shareholder Rights and Conduct of General Meetings

Principle 12: Engagement with Shareholders

Principle 13: Engagement with Stakeholders

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.

All shareholders are entitled to attend and vote at general meetings in person or by appointment of proxy(ies). The rules including the voting procedures are set out in the notice of general meetings. In accordance with the Constitution of the Company, shareholders may appoint one or two proxies to attend and vote at general meetings in their absence. The proxy forms must be deposited with the Company not less than forty-eight (48) hours before the time set for the general meetings.

A Relevant Intermediary¹ may appoint more than 2 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). An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the general meetings in person. CPF and SRS Investors

1 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 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 Governance Report

who are unable to attend the general meetings but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the general meetings to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the general meetings.

In light of the COVID-19 situation, the forthcoming AGM of the Company to be held in July 2021 will be held by way of electronic means. Shareholders will not be able to attend the AGM in person, but may participate at the AGM by watching and/or listening to the proceedings via a Live Webcast/Live Audio Feed. Shareholders will also be given the opportunities to submit their questions related to the resolutions to be tabled for approval in advance of the AGM. The responses to those substantial and relevant questions received from the Shareholders will be published via SGXNET and the Company's website before the AGM.

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 and is made through annual reports that are prepared and issued to all shareholders, half yearly results announcements, press releases and disclosures to the SGX-ST via SGXNET. The Company's Annual Report is sent to all Shareholders and made available to other investors on request. The Company's Annual Report is also accessible through the Company's website.

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.

All Directors will be available at the general meetings of shareholders, and the independent auditor is also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed in the Company's annual report.

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

Each distinct issue is proposed as a separate resolution at general meetings. All resolutions proposed at general meetings shall be put to vote by way of a poll pursuant to Rule 730A(2) of the Catalist Rules. An independent external consultant is also appointed as scrutineer for the poll voting process. Prior to the commencement of the general meeting of shareholders, the scrutineer would review the proxies and the proxy process. A proxy verification process agreed upon with the scrutineer is also in place. Votes cast for, or against, each resolution will be tallied and disclosed at the meeting announcement with the detailed results showing the numbers and percentage of votes cast for or against for each resolution will be released via SGXNet on after the general meetings. The Company currently does not provide for voting in absentia.

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management. Such minutes will not be published on the corporate website but will be made available to Shareholders upon their request.

Notwithstanding that, the Company will publish the minutes of its forthcoming AGM within one month from the AGM via SGXNet and the Company's website, in accordance with the Guidance on the Conduct of General Meetings Amid Evolving COVID-19 situation issued by the Accounting and Corporate Regulatory Authority, Monetary Authority of Singapore and the SGX-ST.

The Company and the Group regularly engage its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The Company has identified stakeholders as those who are impacted by the Group's business and operations as well as those who have a material impact on the Group's business and operations. Such stakeholders include employees, contractors and suppliers, government and regulators, community, and shareholders and investors. The Company engages its stakeholders through various channels to ensure that the business interests of the Group are balanced against the needs and interests of its stakeholders.

The Company maintains a corporate website at <https://www.jihldgs.com> to communicate and engage with stakeholders.

The Company engages RHT Communications and Investor Relations Pte. Ltd. ("**Investor Relations**") as its dedicated investor relation team to handle investors' queries and assist on all matters related to investor relations.

Corporate Governance Report

To enhance and encourage communication with Shareholders and investors, the Company provides the contact information of its Investor Relations in its press releases. Shareholders and investors can send their enquiries to the Company's Investor Relations who can be reached by email or telephone.

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:

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

No dividend was proposed in respect of FY2021 as the Company needs to conserve its cash and strengthen its financial position as the Company requires the funds for its working capital needs.

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 Catalist 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 price-sensitive information that is not publicly available. In addition, the Directors, Management and officers of the Group are also discouraged from dealing in the Company's securities on short-term considerations and are expected to observe insider trading laws at all times.

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 are 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 Catalist Rules are complied with.

There was no interested person transaction greater than S\$100,000 for FY2021. The Group does not have a general mandate from its shareholders for interested person transactions.

MATERIAL CONTRACTS

There were no material contracts of the Company or its subsidiary corporations involving the interests of any Director or controlling shareholders which are either still subsisting as at 31 March 2021 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

There were no non-sponsor fees paid to the Company's sponsor, RHT Capital Pte. Ltd. in FY2021.

Sustainability Report

SUSTAINABILITY REPORT 2021

Sustainability Report

Board Statement

On behalf of the Board of Directors (the “**Board**”), we are pleased to present the Sustainability Report of Jubilee Industries Holdings Ltd. (the “**Company**” or “**Jubilee**”) together with its subsidiary corporations (the “**Group**” or “**We**”) for the financial year ended 31 March 2021 (“**FY2021**”). This Sustainability Report articulates the progress we have made in our sustainable voyage across all our operations.

The Group strives to incorporate the sustainable practices across its operations through various initiatives which are aligned with our strategic formulation. This report indicates our commitment to keep our stakeholders abreast of our efforts and performance across the Environmental, Social and Governance (“**ESG**”) factors which are becoming increasingly critical to the Group and the wider society through topics identified as material to our business and stakeholders.

It has been a challenging year for the Group as our operations has been affected by the COVID-19 pandemic since the beginning of the financial year. Despite the challenging business environment followed by the economic turmoil brought from the COVID-19 pandemic, the Group managed to register a higher revenue as compared with previous financial year for the two business units, the Mechanical Business Unit (“**MBU**”) and the Electronics Business Unit (“**EBU**”) with increases in sales of consumer and medical products.

We place great emphasis over the safety and well-being of our employees and strengthening the stakeholders’ trust during this difficult period by constantly reviewing the processes to improve our safety, productivity and operational efficiency while remaining focused on growing the Group’s top line. At the same time, the Board continues to work with the management to ensure we uphold the high standards of the societal, environmental and governance practice and embrace our corporate social responsibility with conviction and fervour.

We expect the operating environment to remain challenging as the global economy continues to be mired with significant uncertainties and disruptions in business activities. Despite the challenging conditions, we will continue focusing on our strategy of maintaining a diversified customer mix and product portfolio to ensure business resilience and stability for both business segments. Moving forward, we will also continue to work on initiatives to better manage cost and operational efficiency with a focus on products with longer life cycles and higher growth potential.

We appreciate the support and confidence from our stakeholders amidst the challenging time experienced by the Group. We would also like to take this opportunity to thank all our valued customers for their support and the many long-serving employees for the efforts in ensuring that sustainability is incorporated into our business practices as we look ahead to a better future.

Sustainability Report

About This Report

This report is prepared with reference to the Global Reporting Initiative (“GRI”) Standards: Core option and the requirements of Rules 711A and 711B of Listing Manual Section B: Rules of Catalist (“Catalist Rules”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The report highlights the ESG related initiatives and provides a holistic view of our approach, performance and targets for our key sustainability topics.

Reporting Boundaries and Standards

We have chosen to report using the GRI Standards for its comprehensive guidelines in reporting sustainability matters, and have incorporated the principles of stakeholder inclusiveness, sustainability context, materiality and completeness when preparing this report.



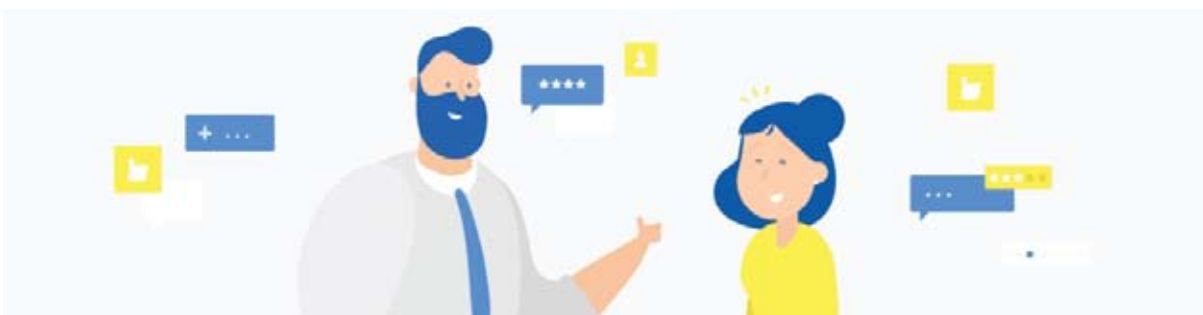
Reporting Period and Scope

This report covers the operations and related initiatives carried out by the Group's headquarters in Singapore and key overseas subsidiary corporations during the 12-month period from 1 April 2020 to 31 March 2021. Jubilee has relied on internal verification to ensure the accuracy of the performance data disclosed in this report. We have not acquired any external assurance for the preparation of this report and we will consider to do so in future when the it is deemed necessary.

Accessibility & Feedback

This report is accessible on our corporate website <http://www.jihldgs.com/investor-relations-2/annual-report/> and should be read in conjunction with our Annual Report.

We also welcome and value feedback from all our stakeholders. If you have questions or comments on this report, or on our sustainability performance, please contact us via <http://www.jihldgs.com/contact-us/>.



Sustainability Report

Governance and Sustainability Approach

At Jubilee, we are committed in maintaining a high standard of corporate governance within our Group by adopting the framework of corporate governance policies and practices in line with the principle and guidelines set forth in the Code of Corporate Governance 2018. The details of the corporate governance framework adopted by the Group are available in the Corporate Governance Report section of the Annual Report.

The Board assesses the Company's direction and business strategy based on the stakeholders' concerns. Senior management engages all departments to address the Board's strategic priorities and sustainability issues through the implementation of policies and procedures to ensure the ESG factors are monitored.

Our approach to sustainability is firmly supported by our commitment to create long-term sustainable value for our stakeholders. By carrying out our business in a transparent and accountable manner, we aim to achieve our objective in reducing the societal and environmental impact while consistently create value for our stakeholders.

Stakeholder Engagement

Jubilee's approach to sustainability is firmly supported by our commitment to create long-term sustainable value for our stakeholders. Key stakeholders such as our Customers, Employees, Suppliers, Shareholders, Regulators, and the Community, are groups that can significantly impact or be impacted by our business practices.

We recognise the importance of transparency and constant stakeholder engagements to aid the growth and development of the organisation's strategy. The Group utilises various avenues such as virtual meetings, online portals, social messaging applications, and open and closed-door meetings to build rapport, deepen understanding, seek feedback that are related to our business with our key stakeholders to improve our economic performance, business conducts, employee welfare and environmental impacts.

Regular interactions with our internal and external stakeholders allow us to glean information on the areas that concern both the organisation and stakeholders and with great impact towards economic, environment, social and governance. We have reviewed, evaluated and prioritised the input received to ensure that the factors we have shortlisted remain relevant to the Group's sustainability objective and strategic direction. The priorities will be presented under the section of Materiality Assessment.

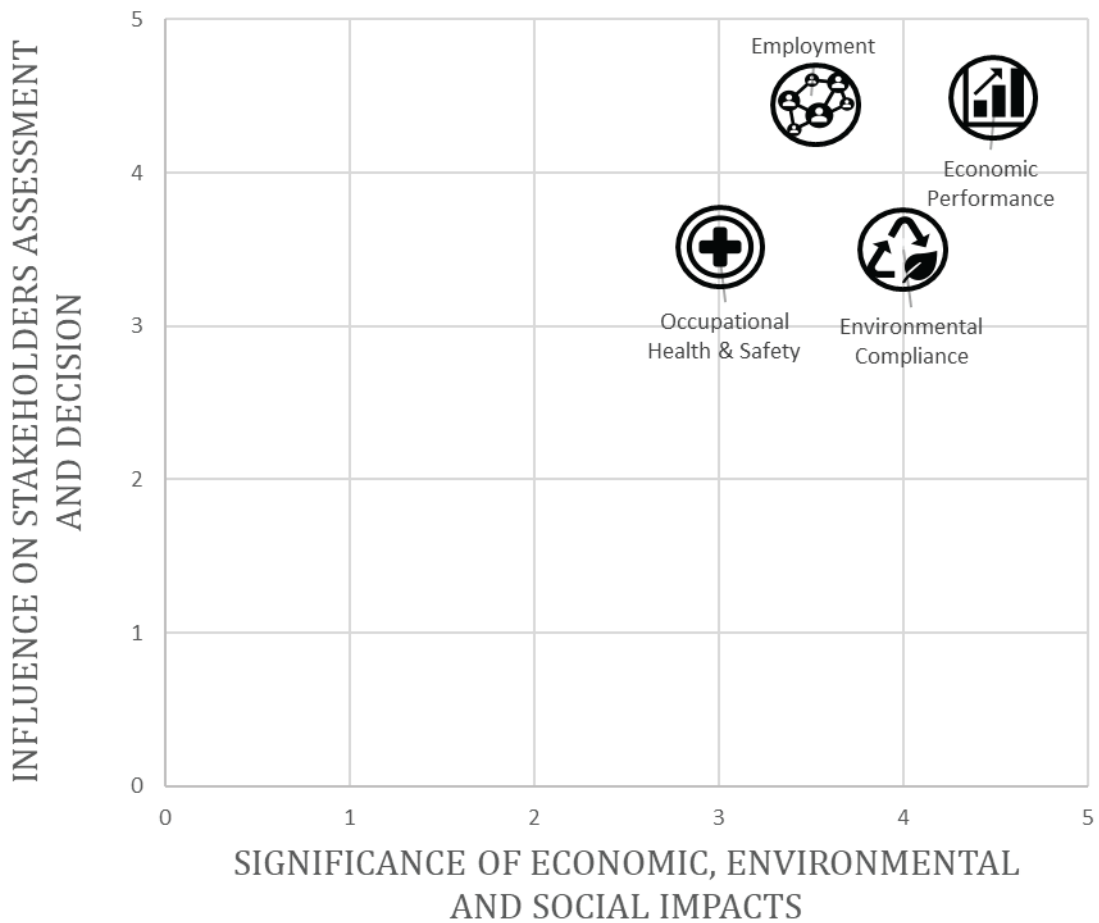


Sustainability Report

Materiality Assessment

Jubilee carried out the materiality assessment exercise by reviewing the important feedbacks received from our different stakeholder groups throughout the various communication channels. We assess the degree of influence and impact to ensure the material topics we identified are relevant and utmost importance to our stakeholders and the organisation. During the materiality assessment conducted in FY2021, a total number of four (4) material topics identified remained relevant with significant impact towards the economic, environmental, social and governance aspects. These material topics are reflected in the Materiality Matrix below.

Materiality Matrix



Sustainability Report



Economic Performance

Why is it Material?

Constantly understanding the Group’s financial performance and assessing the key economic performance indicators allow the Group to evaluate the past performance, assist in identifying the resources available to formulate a sustainable economic growth strategy and generate positive value to our group of key stakeholders such as employees, shareholders, customer and suppliers in the long-term.

Management Approach

We continue to strengthen our market position by diligently embracing prudent management structure and improvement in production performance. We proactively monitor the manufacturing market and constantly look for opportunities for growth. We develop business strategies based on potential opportunities identified which eventually contribute to the achievement of positive financial performance and business growth in a sustainable manner.

Performance

The Group constantly endeavours towards achieving robust economic results each year. There are 2 main business segments within the Group. In FY2021, majority of the Group’s revenue at 82.7% is contributed by the Electronics Business Unit (“EBU”) segment and the remaining 17.3% is contributed by the Mechanical Business Unit (“MBU”) segment.

We are pleased to share that revenue from MBU and EBU rose by 1.9% and 9.8% respectively for FY2021 as compared to FY2020. The increase in revenue was attributed by the Group’s on-going efforts to realign its resources to expand its supplier base and grow its product portfolio. Revenue from China picked up for EBU, largely driven by a recovery of manufacturing activity in China following business and economic disruptions in FY2020.

For MBU segment, revenue was held steady with improvement in revenue margin. This resulted from higher sales of consumer and medical products, which helped to reduce the impact of subdued sales for automotive and construction products which was affected by a slowdown in the automotive industry. The increase in revenue was also partly due to customers who were changing their source of purchase to the ASEAN region arising from the trade tensions between USA and China. On the other hand, revenue from EBU segment increased due to a recovery from the semiconductor sector.

The Group’s economic performance for FY2021, FY2020 and FY2019 is shown below. For further information, kindly refer to the Operations and Financial Review section of the Annual Report.

Performance Indicator	FY2021 (S\$’000)	FY2020 (S\$’000)	FY2019 (S\$’000)
Revenue	144,996	133,839	163,691
Net (Loss)/Profit	(1,769)	(3,846)	2,879

Target

In FY2022, the Group will remain committed to attain and improve revenue growth. We aim to achieve the objective by seeking ways to effectively position ourselves as preferred suppliers for our targeted customers within the MBU and EBU market segments. Meanwhile, we will maintain our focus on improving our resource management and operational efficiency to deliver cost savings.



Sustainability Report

Environmental Compliance



Why is it Material?

The Group recognises the importance of environmental excellence and is committed to minimising environmental impact in our daily operations. We adhere to our aim of 'Moulding a Sustainable Future' by proactively working towards adopting good practices, embracing green technology and minimising the unnecessary waste to mitigate the environmental impact.

Management Approach

Jubilee ensures that its business and operations are carried out in a manner that is aligned with its sustainability goals while influencing business partners to also implement such safe environmental practices. The top management has implemented the environmental policies that are centred around local and international laws, regulations, and industrial best practices to better manage the environmental compliance. We regularly review and monitor the changes to the relevant laws and regulations to ensure our policies remained relevant and in line with the industry practices.

To fulfil the objective of our environmental policies, we have established regular maintenance schedules and consistently develop good operational practices to ensure the equipment are properly maintained and where possible, upgraded to optimise performance and efficiency while managing the adverse environmental impact.

We actively engage our employees to play a role in reducing the energy consumption of the factory and office equipment to foster a strong environment-friendly culture. For instance, we encourage the use of lighting, office supplies and equipment product endorsed with Green Label to lessen the undesirable effects on our environment. We have also installed water efficient fittings that come with dual-flush mechanism and self-closing taps function to ensure water and energy savings in the company premises. As part of our conservation efforts towards electrical energy consumption, we also encourage our employees to switch off lights and electrical appliances in the office when not in use.

The Group constantly pursues for opportunity to leverage its capabilities to implement sustainable solutions to mitigate our environmental impact.

Performance

Through demonstrating commitment to our environmental policies and implementing good environmental practices, we are pleased to report that no incident of non-compliance with environmental laws and regulations was identified in FY2021.

Targets

We target to maintain this trend for the forthcoming year by providing regular updates to our employees to keep them abreast of the key changes within the environmental regulation landscapes.



Sustainability Report



Employment

Why is it Material?

People are the core of our business. Jubilee believes that a strong workforce lies in attracting and retaining the right talent as well as ensuring it is diverse and qualified. The Group takes proactive approach to attract and retain employees through fair labour practice, establishing effective employee engagement, and monitoring employee wellness and workplace safety. We believe that such advancement will ultimately contribute to the business growth and employment retention rate.

Management Approach

Fair Labour Practice

Identifying, recognising and rewarding performance in employees is essential in our hiring and retention strategy. We advocate fair employment practices by implementing the Human Resource Management policy based on equal opportunities and meritocracy. We consistently review and update our employment policy to ensure that the fair employment opportunities are provided to all our employees, regardless of age, race or gender as they are crucial for talent attraction and retention, and developing a competitive workforce. Additionally, we prioritise in providing equal opportunity to all employees, allowing them to demonstrate their knowledge, skills and experience. We value each of our employee's contributions, both individually and as part of the Group. By conducting performance appraisal, we are able to recognise their performance and contributions and identify areas for further skills development.

Well Being & Benefits

We promote employee wellness as we believe that a healthy workforce is a productive workforce. We have put in place various measures to continuously engage our employees and ensure their well-being. For instance, management constantly monitors the overtime hours of employees and workers to ensure, other than adherence to the jurisdiction's employment law, a work-life balance environment and employees well-being have been taken care of.

We conduct regular inspections on employees' living conditions and constantly engage our employees and address their feedback to ensure the accommodations provided is under reasonable standards to meet the needs of the employees. In response to the COVID-19 pandemic, we have put in place various measures such as implementing work from home arrangement, maintaining social distance, limiting social gathering, daily temperature screening and advising them to visit the doctor immediately when unwell to safeguard the health and well-being of our employees.

Sustainability Report

Safety in the Workplace

In the course of work, our employees may be exposed to health and safety risk from the workplace. To minimise the occupational health risk and safety hazard, the management regularly assesses and mitigates risk in our working environment by abiding the global recognised health and safety practices. To reinforce the occupational health and safety awareness among the Group, we consistently remind and educate our employees on potential health risks and safety hazards in our work environment whilst emphasizing precautionary measures for them to undertake for their own safety. As employees also play an equally important role in creating a safe work environment, we ensure they are always mindful of possible dangers and the safety measures to practise responsibly.

Communication

In line with our vision to create a healthy organisation culture that promotes transparency, teamwork, trust and respect, numerous channels are available for employees to seek and receive feedback for their ongoing learning and improvement. For instance, the management will conduct regular engagement through departmental meetings and performance appraisals and channel the constructive feedbacks into the development of better, value-added practices that benefited the Group.

Performance

Our employment statistics for FY2021, FY2020 and FY2019 are displayed in the table below.

New Employee Hires (By Age Groups)	FY2021		FY2020		FY2019	
	Number	%	Number	%	Number	%
21 to 30	48	31.6	42	48.3	48	49.5
31 to 45	96	63.2	38	43.7	43	44.3
46 to 60	8	5.3	7	8.0	6	6.2
Above 60	–	–	–	–	–	–

New Employee Hires and Employee Turnover	FY2020		FY2020		FY2019	
	Female	Male	Female	Male	Female	Male
Number of employees	787	1,071	826	972	814	932
Gender distribution	42.4%	57.6%	45.9%	54.1%	46.6%	53.4%
Number of new employees	35	117	35	52	45	52
New employee hires rate	4.4%	10.9%	4.2%	5.3%	5.5%	5.6%
Number of resigned employees	81	43	26	41	45	62
Employees turnover rate	10.3%	4.0%	3.1%	4.2%	5.5%	6.7%

Target

Going forward, we will continue to focus on fostering a strong culture of collaboration and communication by encouraging two-way communication, supporting employees' health and wellness and maintaining a fair employment practice. We believe these are the key attributes to the improvement of our staff retention and involuntary attrition rate.



Sustainability Report

Occupational Health & Safety



Why is it Material?

It is our responsibility to provide a healthy and safe working environment for our employees. In the course of work, our employees may be exposed to health and safety risks in the workplace. Jubilee regularly assesses the risks in our working environment and takes extra care by implementing additional precautionary measures and operational protocols to limit our employees' health exposure while at work to safeguard the health and safety of our employees. By providing a safe and conducive environment, the Group strives to build a workforce that adds value to the organisation.

Management Approach

Jubilee's Occupational Health and Safety policies incorporate all necessary safe work practices. The Group enforces the Occupational Health and Safety policies and practices for employees at all levels of the organisation. A certified officer is appointed to assist the management in identifying potential hazards, assess risks related to health and safety and oversee the implementation of safety measures to minimise the hazards within the factories. We also engaged an outsourced auditor to perform regular review of our policies and safety checks to ascertain the adequacy of our safety management practice and compliance with local authority standards.

We strive to eliminate the hazards and risks that can cause work-related accidents and occupational diseases. We monitor high-risk activities and near-miss incidents occurred and encourage our employee to report any unsafe behaviour they observe to the management immediately. By recording all the incidents, this allows us to identify and analyse the root cause to strengthen workplace safety by implementing precautionary measures to mitigate the risk.

The Group consistently upholds high safety standards. We are committed to raise workplace safety awareness by enhancing employee understanding towards the importance of workplace safety rules through safety-related training. To cascade our safety culture, we also require employees who work in the factory to be equipped with full personal protective equipment as a preventive measure against any physical harm or occupational hazards that the workplace environment may present. For continual improvement of our health and safety system, we regularly engage with our employees and workers through regular meetings to gather their feedback and suggestion for any potential safety issues regardless of their level or work area. We also conduct fire evacuation drill exercises that simulate scenarios affecting business operations to ensure all employees are familiar with the evacuation protocols.



Sustainability Report

Performance

In response to the COVID-19 pandemic, we have implemented the following procedures and programmes to ensure the safe resumption of work activities. These enable us to protect the health and wellbeing of our workforce and formulate the effective response to emergencies and potential threats.



We are pleased to share that there was no work-related injuries, ill-health and fatalities nor major accidents to be accounted for in FY 2021 due to the various initiatives and precautionary measures adopted throughout the Group.

Targets

The Group strives to maintain a zero-tolerance stance towards workplace fatalities. Going forward, we will continue to strengthen the health and safety measures through consistent monitoring and regular engagement to identify, minimise and control the impact of any hazards by developing preventive measures and best practice to ensure our work environment is safe for employees. As part of our efforts to protect our employees against the COVID-19 pandemic, we will continue to adhere to the precautionary measures to ensure the health and well-being of our employees are protected.



Sustainability Report

Global Reporting Initiative (GRI) Content Index

GRI Standards	Notes/ Page Reference
102-1 Name of the organisation	Jubilee Industries Holdings Ltd
102-2 Activities, brands, products, and services	Corporate Profile, page 2
102-3 Location of headquarters	Corporate Profile, page 2
102-4 Location of operations	Corporate Profile, page 2
102-5 Ownership and legal form	Corporate Profile, page 2 Statistics of Shareholders, page 127
102-6 Markets served	Corporate Profile, page 2
102-7 Scale of the organisation	Corporate Profile, page 2 Operations and Financial Review, page 6 Employment, page 45
102-8 Information on employees and other workers	Employment, page 45
102-9 Supply chain	Corporate Profile, page 2
102-10 Significant changes to the organisation and its supply chain	No significant changes
102-11 Precautionary principle or approach	Jubilee Industries Holdings Ltd does not specifically refer to the precautionary principle
102-12 External initiatives	Jubilee Industries Holdings Ltd does not subscribe to any significant external initiatives
102-13 Membership of associations	No main memberships of industry or other associations, and national or international advocacy organisations maintained at organizational level
102-14 Statement from senior decision maker	Board Statement, page 39
102-16 Values, principles, standards, and norms of behaviour	Governance and Sustainability Approach, page 41
102-18 Governance structure	Board of Directors, page 10 Corporate Management, page 14
102-40 List of stakeholder groups	Stakeholder Engagement, page 41
102-41 Collective bargaining agreements	Nil
102-42 Identifying and selecting stakeholders	Stakeholder Engagement, page 41
102-43 Approach to stakeholder engagement	Stakeholder Engagement, page 41
102-44 Key topics and concerns raised	Stakeholder Engagement, page 41
102-45 Entities included in the consolidated financial statements	Investments in subsidiary corporations, page 92
102-46 Defining report content and topic boundaries	About This Report, page 40
102-47 List of material topics	Materiality Assessment, page 42
102-48 Restatements of information	No restatements
102-49 Changes in reporting	No changes
102-50 Reporting period	1 April 2020 to 31 March 2021
102-51 Date of most recent report	10 November 2020
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	About This Report, page 40
102-54 Claims of reporting in accordance with the GRI Standards	About This Report, page 40
102-55 GRI content index	GRI Content Index, page 49
102-56 External assurance	About This Report, page 40

Sustainability Report

Global Reporting Initiative (GRI) Content Index

GRI Standards	Notes/ Page Reference
Economic Performance	
103-1 Explanation of the material topic and its boundaries	Operations and Financial Review, page 6 Economic Performance, page 43
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	
Environmental Compliance	
103-1 Explanation of the material topic and its boundaries	Environmental Compliance, page 44
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
307-1 Non-compliance with environmental laws and regulations	
Employment	
103-1 Explanation of the material topic and its boundaries	Employment, page 45
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	
Occupational Health and Safety	
103-1 Explanation of the material topic and its boundaries	Occupational Health & Safety, page 47
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
403-1 Occupational health and safety management system	
403-2 Hazard identification, risk assessment, and incident investigation	
403-4 Worker participation, consultation, and communication on occupational health and safety	
403-5 Worker training on occupational health and safety	
403-9 Work-related injuries	
403-10 Work-related ill health	

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 2021 and the statement of financial position of the Company as at 31 March 2021.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 51 to 126 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 2021 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
 Cheong Keng Chuan Alfred
 Ng Siew Hoong Linus
 Kang Pang Kiang

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 arrangement 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 name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 31 March 2021	As at 1 April 2020	As at 31 March 2021	As at 1 April 2020
The Company				
<u>(Number of ordinary shares)</u>				
Terence Tea Yeok Kian	172,500	172,500	166,818,931	166,818,931
The immediate and ultimate holding corporation – Accrelist Ltd.				
<u>(Number of ordinary shares)</u>				
Terence Tea Yeok Kian	64,436,056	64,436,056	2,271,900	2,271,900

Terence Tea Yeok Kian, who by virtue of his deemed interest of 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 Accrelist Ltd. and through shares held by his spouse in Accrelist Ltd.

The directors' interests in the ordinary shares of the Company as at 21 April 2021 were the same as those as at 31 March 2021.

Directors' Statement

Share plans

(a) 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 held on 21 November 2014.

The Scheme represents the right of a selected key management personnel and employees of the Group (the "Selected Person") to receive fully paid shares free of charge, upon the Selected Person achieving Performance Targets. Performance Targets set under the Scheme are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The Performance Targets are stretched targets aimed at sustaining long-term growth. Examples of Performance Targets to be set include targets based on criteria such as sales growth, earnings per share, share price and return on investment.

The aggregate number of shares to be delivered pursuant to the vesting of the Scheme on any date, when added to the number of shares issued and/or issuable under any other share-based incentive plans of the Company, shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding that date.

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 and no shares have been granted during the financial year.

During the financial year, there were no share awards granted to controlling shareholders of the Company or their associates (as defined in the SGX-ST Listing Manual Section B: Rules of Catalist) and no participant has received 5% or more of the total number of shares available under the Scheme.

No awards have been issued during the financial year end and there were no awards outstanding as at beginning and end of the financial year.

(b) Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiary corporations.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company or its subsidiary corporations.

As at the end of the financial year, there were no unissued shares of the Company or its subsidiary corporations under option.

Directors' Statement

Audit committee ("AC")

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

Cheong Keng Chuan Alfred (Chairman)
Ng Siew Hoong Linus
Kang Pang Kiang

As at the date of this statement, the AC comprises all non-executive directors who are all independent, except for Mr Kang Pang Kiang who is the director of a subsidiary corporation, WE Total Engineering Sdn. Bhd.

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 followings:

- 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 financial statements and other announcements to members and the Singapore Exchange Securities Trading Limited ("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 the 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, without the presence of the management, at least once a year to review the overall scope of the independent audit, and the assistance given by the management to the independent auditor. 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.

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

Cheong Keng Chuan Alfred
Director

15 July 2021

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Jubilee Industries Holdings Ltd. (the "Company") and its subsidiary corporations (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 March 2021, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 31 March 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Revenue Recognition (Refer to Note 2.2 and Note 4 to the financial statements)</p> <p>The Group's revenue is primarily generated from:</p> <p>(i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract; and</p> <p>(ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date.</p> <p>During the financial year ended 31 March 2021, the Group recognised revenue of S\$144,996,000. We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group. The potential existence of management override controls and large volume of transactions also increase the risk of material misstatement in the amount of revenue reported.</p>	<p>In obtaining sufficient audit evidence, the following procedures have been performed:</p> <ul style="list-style-type: none"> • Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with management, to assess the Group's revenue recognition policy in accordance with SFRS(I) 15, in particular the identification of performance obligations, and the timing of revenue recognition (i.e. at a point in time or over time). • Discussed with management on the processes involved in the sales cycle for each revenue stream and performed walkthrough tests to consolidate our understanding. • Performed test of controls over the sales cycle to ascertain the effectiveness of such key controls. • Performed test of details and sales cut-off tests to ascertain sales have been accurately taken up in the correct financial year. • Performed analytical review by comparing the current financial year performance to prior financial year. • Reviewed the adequacy of disclosures in the notes to the financial statements.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Key Audit Matters (continued)

Key audit matter	How our audit addressed the matter
<p>Valuation of inventories (Refer to Note 2.17, Note 3(b) and Note 16 to the financial statements)</p> <p>As at 31 March 2021, the carrying amount of inventories amounted to S\$15,176,000, representing approximately 20% of the Group's total assets.</p> <p>In determining the net realisable value ("NRV") of the inventories, management based on the recent selling price of the transacted sales and orders received from customers. In addition, management also considered the future outlook of the economic environment. Accordingly, the Group recorded an inventory write-down of S\$667,000 as at 31 March 2021 (2020: S\$333,000).</p> <p>We focused on this area as the estimation of the NRV of inventories involved a high level of management judgement. The determination of the net realisable value of inventories is based on current market conditions and historical sales experience. This requires significant management's judgement in assessing the market positioning of the Group's products which are dependent on factors such as customer specification requirements, demands and price competition in response to the industry life cycles.</p>	<p>In obtaining sufficient audit evidence, the following procedures have been performed:</p> <ul style="list-style-type: none"> • Attended and observed the physical inventory counts performed by the Group, including obtaining confirmations from third party warehouses. • Reviewed the Group's costing approach and the appropriateness of the costing methods used for each type of inventory (raw materials, work-in-progress and trading goods). • Performed NRV test by checking subsequent selling prices to the carrying amounts of inventories as at year end to ascertain that inventories are not stated in excess of NRV. • Reviewed that appropriateness of the Group's policy for identifying slow-moving or obsolete inventories and the adequacy of the amount of write-down inventories.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Responsibilities of Management and Directors 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 Act and SFRS(I)s, 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.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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.

The engagement director on the audit resulting in this independent auditor's report is Titus Kuan Tjian.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
15 July 2021

Consolidated Statement of Comprehensive Income

For the financial year ended 31 March 2021

	Note	Group 2021 S\$'000	Group 2020 S\$'000
Revenue	4	144,996	133,839
Cost of sales	7	(137,511)	(127,092)
Gross profit		7,485	6,747
Other income			
- Interest income from bank deposits		18	7
- Others	5	732	251
Other losses - net			
- Impairment loss on financial assets at amortised cost	32(b)	(304)	(392)
- Others	6	(245)	(322)
Expenses			
- Distribution and marketing	7	(367)	(915)
- Administrative	7	(7,888)	(7,914)
- Finance	9	(767)	(1,136)
Share of (loss)/profit of associated company	19	(312)	88
Loss before income tax		(1,648)	(3,586)
Income tax expense	10(a)	(121)	(260)
Net loss		(1,769)	(3,846)
Other comprehensive income/(loss):			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation			
- (Losses)/gains	28(b)(i)	(348)	116
- Reversal due to deemed disposal of associated company	28(b)(i)	(174)	-
Share of associated company's fair value gains/(losses) on financial assets, at FVOCI			
- Fair value gains/(losses)	28(b)(ii)	194	(89)
- Reversal due to deemed disposal of associated company	28(b)(ii)	(16)	-
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Re-measurement of defined benefits obligation	23(a)(i)	(89)	-
Financial assets, at FVOCI			
- Fair value gains/(losses) - equity investment	28(b)(ii)	507	(495)
Other comprehensive income/(loss), net of tax		74	(468)
Total comprehensive loss		(1,695)	(4,314)
Net (loss)/profit attributable to:			
Equity holders of the Company		(1,812)	(4,017)
Non-controlling interests		43	171
		(1,769)	(3,846)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		(1,738)	(4,485)
Non-controlling interests		43	171
		(1,695)	(4,314)
Loss per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	(0.72)	(1.59)

The accompanying notes are an integral part of these financial statements

Consolidated Statements of Financial Position

As at 31 March 2021

	Note	Group 2021 S\$'000	Group 2020 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	7,687	8,372
Financial assets, at fair value through profit or loss ("FVPL")	13	9,263	33
Financial assets, at fair value through other comprehensive income ("FVOCI")	14	–	482
Trade and other receivables	15	28,411	29,489
Inventories	16	15,176	9,082
Other current assets	17	7,985	8,015
		68,522	55,473
Non-current assets			
Financial assets, at fair value through other comprehensive income ("FVOCI")	14	47	47
Investment in associated company	19	–	11,316
Property, plant and equipment	20	7,059	7,467
Intangible assets	22	1,383	1,769
		8,489	20,599
Total assets		77,011	76,072
LIABILITIES			
Current liabilities			
Trade and other payables	23	31,712	22,635
Current income tax liabilities	10(b)	390	477
Borrowings	24	6,680	13,055
		38,782	36,167
Non-current liabilities			
Borrowings	24	2,278	2,239
Deferred income tax liabilities	10(c)	76	96
		2,354	2,335
Total liabilities		41,136	38,502
NET ASSETS		35,875	37,570
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	74,429	74,429
Treasury shares	25	(736)	(736)
Statutory reserve	26	2,257	2,257
Capital reserve	27	(142)	(142)
Other reserves	28	1,334	109
Accumulated losses		(42,601)	(39,638)
		34,541	36,279
Non-controlling interests	18	1,334	1,291
TOTAL EQUITY		35,875	37,570

The accompanying notes are an integral part of these financial statements

Statements of Financial Position

As at 31 March 2021

	Note	Company	
		2021 S\$'000	2020 S\$'000
ASSETS			
Current assets			
Cash and cash equivalents	12	107	34
Financial assets, at fair value through profit or loss ("FVPL")	13	9,225	–
Financial assets, at fair value through other comprehensive income ("FVOCI")	14	–	482
Trade and other receivables	15	3,176	18,403
Other current assets	17	13	11
		<u>12,521</u>	<u>18,930</u>
Non-current assets			
Financial assets, at fair value through other comprehensive income ("FVOCI")	14	47	47
Investments in subsidiary corporations	18	39,656	24,456
Investment in associated company	19	–	10,934
Property, plant and equipment	20	–	1
Intangible assets	22	–	–
		<u>39,703</u>	<u>35,438</u>
Total assets		<u>52,224</u>	<u>54,368</u>
LIABILITIES			
Current liabilities			
Trade and other payables	23	14,230	14,171
Borrowings	24	1,122	1,446
		<u>15,352</u>	<u>15,617</u>
Non-current liabilities			
Borrowings	24	2,000	2,000
Total liabilities		<u>17,352</u>	<u>17,617</u>
NET ASSETS		<u>34,872</u>	<u>36,751</u>
EQUITY			
Capital and reserves attributable to equity holders of the Company			
Share capital	25	74,429	74,429
Treasury shares	25	(736)	(736)
Capital reserve	27	(142)	(142)
Other reserves	28	22	(1,547)
Accumulated losses	29	(38,701)	(35,253)
TOTAL EQUITY		<u>34,872</u>	<u>36,751</u>

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Changes in Equity

For the financial year ended 31 March 2021

	Attributable to equity holders of the Company							Non-controlling interests	Total Equity	
	Share capital	Treasury shares	Warrants reserve	Statutory reserve	Capital reserve	Other reserves	Accumulated losses			Total
Note	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
2021										
Beginning of financial year	74,429	(736)	–	2,257	(142)	109	(39,638)	36,279	1,291	37,570
Loss for the financial year	–	–	–	–	–	–	(1,812)	(1,812)	43	(1,769)
Other comprehensive income for the financial year	–	–	–	–	–	163	(89)	74	–	74
Total comprehensive income/(loss) for the financial year	–	–	–	–	–	163	(1,901)	(1,738)	43	(1,695)
Transfer upon disposal of financial assets, at FVOCI	–	–	–	–	–	1,062	(1,062)	–	–	–
End of financial year	74,429	(736)	–	2,257	(142)	1,334	(42,601)	34,541	1,334	35,875
2020										
Beginning of financial year	73,279	(736)	1,150	2,257	(142)	577	(35,621)	40,764	1,120	41,884
Loss for the financial year	–	–	–	–	–	–	(4,017)	(4,017)	171	(3,846)
Other comprehensive income for the financial year	–	–	–	–	–	(468)	–	(468)	–	(468)
Total comprehensive (loss)/income for the financial year	–	–	–	–	–	(468)	(4,017)	(4,485)	171	(4,314)
Transfer upon expiration of warrants	1,150	–	(1,150)	–	–	–	–	–	–	–
End of financial year	74,429	(736)	–	2,257	(142)	109	(39,638)	36,279	1,291	37,570

Warrants reserve, 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 2021

	Note	Group	
		2021 S\$'000	2020 S\$'000
Cash flows from operating activities			
Net loss		(1,769)	(3,846)
Adjustment for:			
- Income tax expense	10(a)	121	260
- Amortisation and depreciation	7	1,618	1,734
- Inventories written down	7	667	333
- Share of loss/(profit) of associated company	19	312	(88)
- Gain on disposal of property, plant and equipment	6	(804)	-
- Loss on deemed disposal of associated company	6	3,804	-
- Loss on disposal of associated company	6	439	-
- Fair value gain on financial assets, at FVPL	6	(2,675)	-
- Dividend income	5	(91)	(13)
- Interest income - bank deposits		(18)	(7)
- Interest expense	9	767	1,136
- Unrealised currency translation (gains)/losses		(351)	68
		2,020	(423)
Changes in working capital:			
- Trade and other receivables		1,078	1,058
- Inventories		(6,761)	10,778
- Other current assets		30	748
- Trade and other payables		9,400	(3,143)
Cash generated from operations		5,767	9,018
Interest paid		(25)	(160)
Income tax paid	10(b)	(228)	(129)
Net cash provided by operating activities		5,514	8,729
Cash flows from investing activities			
Additions to property, plant and equipment		(495)	(353)
Disposal of investments in associated company		1,252	-
Disposal of property, plant and equipment		412	-
Dividend received		91	13
Interest received		18	7
Net cash provided by/(used in) investing activities		1,278	(333)

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2021

	Note	2021 S\$'000	Group 2020 S\$'000
Cash flows from financing activities			
Repayment of bank borrowings - net		(5,400)	(4,570)
Repayment of loan from immediate and ultimate holding corporation		–	(925)
Repayment of lease liabilities		(440)	(419)
Loan from non-related party		–	2,000
Interest paid		(762)	(956)
Short-term bank deposits pledged		(1,133)	–
Net cash used in financing activities		(7,735)	(4,870)
Net (decrease)/increase in cash and cash equivalents		(943)	3,526
Cash and cash equivalents			
Beginning of financial year		6,167	2,635
Effect of currency translation on cash and cash equivalents		3	6
End of financial year	12	5,227	6,167

Reconciliation of liabilities arising from financing activities

	1 April 2020 S\$'000	Proceeds from borrowings S\$'000	Principal and interest payments S\$'000	Non-cash changes			31 March 2021 S\$'000
				Addition during the year S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Bank borrowings	11,445	839	(6,906)	–	667	–	6,045
Lease liabilities	644	–	(475)	343	35	(6)	541
Loan from non-related party	2,020	–	(60)	–	40	–	2,000

	1 April 2019 S\$'000	Proceeds from borrowings S\$'000	Principal and interest payments S\$'000	Adoption of SFRS(I) 16 S\$'000	Non-cash changes			31 March 2020 S\$'000
					Addition during the year S\$'000	Interest expense S\$'000	Foreign exchange movement S\$'000	
Bank borrowings	16,015	1,000	(6,462)	–	–	892	–	11,445
Lease liabilities	–	–	(463)	929	130	44	4	644
Loan from immediate and ultimate holding corporation	925	–	(945)	–	–	20	–	–
Loan from non- related party	–	2,000	–	–	–	20 [#]	–	2,020

[#] Amount included under interest payable

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

For the financial year ended 31 March 2021

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

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.

The immediate and ultimate holding corporation is Accrelist Ltd., a company incorporated in Singapore and listed on Singapore Exchange Securities Trading Limited ("SGX-ST").

2 Summary of significant accounting policies

2.1 Basis of preparation

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

The preparation of financial statements in conformity with SFRS(I) 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.

Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Group's significant operations are in Singapore, Malaysia and Indonesia, all of which have been affected by the spread of COVID-19 in 2021.

Set out below is the impact of COVID-19 on the Group's financial performance reflected in this set of financial statements subsequent to the year ended 31 March 2021:

- (i) The Group has assessed that the going concern basis of preparation for this set of financial statements remain appropriate.
- (ii) In 2021, border closures, production stoppages and workplace closures have resulted in periods where the Group's operations were temporarily suspended to adhere to the respective governments' movement control measures. These have negatively impacted business production and volume in 2021, resulting in a negative impact on the Group's financial performance for 2021.
- (iii) The Group has considered the market conditions (including the impact of COVID-19) as at the reporting date, in making estimates and judgements on the recoverability of assets as at 31 March 2021.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Group cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022. If the situation persists beyond management's current expectations, the Group's assets may be subject to further write downs in the subsequent financial periods.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Interpretations and amendments to published standards effective in 2020

On 1 April 2020, the Group has adopted the new or amended SFRS(I) and Interpretations of SFRS(I) ("INT SFRS(I)") 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 SFRS(I) and INT SFRS(I).

The adoption of these new or amended SFRS(I) and INT SFRS(I) did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised goods or services to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied over time or at a point in time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Electronic components distribution business unit ("EBU")*

Sale of goods - distribution of electronic components

Revenue is recognised at a point in time when the Group satisfied its performance obligation by transferring the control of a promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically refers to the incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(b) *Mechanical business unit ("MBU")*

(i) *Provision of precision plastic injection moulding services ("PPIM")*

Revenue is recognised at point in time when the Group satisfied its performance obligation by transferring the control of a promised goods to the customer, which is when the goods are delivered to the destination specified by the customer, typically refers to the incoterms specified in the contract. Revenue is measured based on consideration specified in the contract with a customer to which the Group expects to be entitled in exchange for transferring promised goods to a customer.

(ii) *Design, fabrication and sale of precision plastic injection mould ("MDF")*

The Group manufactures and supplies moulds for manufacturers. As the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time, based on the stages of mould manufacturing process completed to-date.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

(b) *Mechanical business unit ("MBU") (continued)*

(ii) *Design, fabrication and sale of precision plastic injection mould ("MDF") (continued)*

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified manufacturing milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has the received advanced payments from customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently recognised in profit or loss as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expense.

(c) *Service income*

Service income is recognised at a point in time, i.e. when services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be reliably measured.

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".

Government grants relating to assets are deducted against the carrying amount of the assets.

Notes to the Financial Statements

For the financial year ended 31 March 2021

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 which 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 unless the transaction provides evidence of 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 comprise 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 statement of financial position. 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.

When 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 is less than the fair value of the identifiable net assets of the subsidiary corporation acquired, the difference – often referred to as “bargain purchase” – is recognised in profit or loss.

Notes to the Financial Statements

For the financial year ended 31 March 2021

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.

(b) *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 interests and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

(c) *Associated company*

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(c) Associated company (continued)

(ii) Equity method of accounting

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise Group's share of its associated company's post-acquisition profits or losses of the investee in profit or loss and its share of movements in other comprehensive income of the investee's other comprehensive income. Dividends received or receivable from the associated company is recognised as a reduction of 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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

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.

(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>
Leasehold properties	Over respective lease terms of 20 years
Buildings	Over respective lease terms from 2 to 3 years
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 reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

(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 within "Other gains/(losses) – net".

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.6 Intangible assets

(a) *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.

(b) *Distribution rights*

Distribution rights acquired are initially recognised at cost and 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 2 years and 8 years, which is the shorter of their estimated useful lives and period of contractual rights.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least at each reporting 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 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 statement of financial position. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.9 Impairment of non-financial assets

Property, plant and equipment

Right-of-use assets

Intangible assets

Investments in subsidiary corporations and associated company

Property, plant and equipment, right-of-use assets, intangible assets 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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

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, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

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 any accumulated 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.

2.10 Financial assets

(a) *Classification and measurement*

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

(i) *Debt instruments*

Debt instruments mainly comprise of cash and cash equivalents and trade and other receivables. Depending on the Group's business model for managing the asset and the cash flow characteristics of the asset, the subsequent measurement are as follows:

- **Amortised cost:** Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(a) Classification and measurement (continued)

At subsequent measurement (continued)

(i) Debt instruments (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "Other gains/(losses) – net". Interest income from these financial assets is recognised using the effective interest rate method and presented in "Interest income from bank deposits".
- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "Other gains/(losses) – net".

(ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. Equity investment are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "Other gains/(losses) – net", except for those equity securities which are not held for trading. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "Fair value gains/losses" in Other Comprehensive Income. Dividends from equity investments are recognised in profit or loss as "Dividend income".

(b) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The credit risk note details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(c) Recognition and derecognition

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

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(c) Recognition and derecognition (continued)

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 debt instrument, the difference between the carrying amount and the sale 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.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in profit or loss is there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and sales proceed amount would be recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

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

2.11 Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the statements of financial position 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.

2.12 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.

Intra-group transactions are eliminated on consolidation.

Financial guarantees are initially recognised at their fair values plus transaction costs in the Company's statement of financial position.

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 statement of financial position.

2.13 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting 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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.14 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.

2.15 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 reporting 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 costs approximate their carrying amounts.

2.16 Leases

When the Group is the lessee:

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) *Right-of-use assets*

The Group recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets are presented within "Property, plant and equipment".

(ii) *Lease liabilities*

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.16 Leases (continued)

When the Group is the lessee: (continued)

(ii) Lease liabilities (continued)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

For contract that contain both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Group has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Group's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

(iii) Short term and low value leases

The Group has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2.17 Inventories

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

Cost of raw materials, work-in-progress, finished goods and trading goods are determined using the weighted average basis, except for cost of work-in-progress for MDF projects, which 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. The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.18 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 reporting date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

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.

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 reporting date; and
- (ii) based on the tax consequence that will follow from the manner in which the Group expects, at the reporting 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, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

The Group accounts for investment tax credits (for example, productivity and innovative credit) similar to accounting for other tax credits where deferred income 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 credits can be utilised.

2.19 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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.20 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.

(b) *Defined benefit plans*

Defined benefit plans are post-employment benefit pension plans other than defined contribution plans. Defined benefit plans typically define the amount of benefit that an employee will receive on or after retirement, usually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the statement of financial position in respect of defined benefit plan is the present value of the defined benefit obligation at the reporting date less than fair value of the plan assets, together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using market yields of high quality corporate bonds that are denominated in the currency and the country in which the benefits will be paid, and have tenures approximately to that of the related post-employment benefit obligations.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise. The experience adjustments are not to be reclassified to profit or loss in a subsequent period.

Past service costs are recognised immediately in profit or loss.

(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 grant date. 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 reporting 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.

(d) *Short-term compensated absences*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.21 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 ("S\$'000").

(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 reporting 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 loan 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 consolidated statement of comprehensive income within "Other gains/(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.

(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 on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

2.22 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.

Notes to the Financial Statements

For the financial year ended 31 March 2021

2 Summary of significant accounting policies (continued)

2.23 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 statement of financial position. 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.

2.24 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.

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 trade receivables

As at 31 March 2021, the carrying amount of trade receivables relating to the Group's different revenue segments – EBU and MBU before impairment loss is S\$22,624,000 (2020: S\$25,332,000). The Group has recognised loss allowance of trade receivables of S\$1,007,000 (2020: S\$722,000).

The Group uses a provision matrix to measure the lifetime expected credit loss ("ECL") allowance for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables are disclosed in Note 32(b) to the financial statements.

(b) Write-down of inventories

As at 31 March 2021, the carrying amount of inventory is S\$15,176,000 (2020: S\$9,082,000). Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices.

Based on the assessment, the Group recorded inventories write-down of S\$667,000 during the year (2020: S\$333,000) after identifying the inventories which became obsolete due to technological advances.

Notes to the Financial Statements

For the financial year ended 31 March 2021

4 Revenue

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time and over time in the following major product lines and geographical regions. Revenue is attributed to countries by location of customers.

	At a point in time S\$'000	Over time S\$'000	Total S\$'000
2021			
<u>Electronic components distribution business unit ("EBU")</u>			
- People's Republic of China	58,171	–	58,171
- United States of America	426	–	426
- India	7,713	–	7,713
- Singapore	13,746	–	13,746
- Malaysia	4,303	–	4,303
- Indonesia	435	–	435
- Thailand	9,236	–	9,236
- Vietnam	21,445	–	21,445
- Other countries	4,381	–	4,381
	119,856	–	119,856
<u>Mechanical business unit ("MBU")</u>			
- Singapore	6,734	84	6,818
- Malaysia	5,547	656	6,203
- Indonesia	10,790	157	10,947
- Other countries	1,101	71	1,172
	24,172	968	25,140
	144,028	968	144,996
2020			
<u>Electronic components distribution business unit ("EBU")</u>			
- People's Republic of China	62,090	–	62,090
- United States of America	2,607	–	2,607
- India	1,934	–	1,934
- Singapore	10,669	–	10,669
- Malaysia	2,909	–	2,909
- Indonesia	336	–	336
- Thailand	9,835	–	9,835
- Vietnam	10,573	–	10,573
- Other countries	8,214	–	8,214
	109,167	–	109,167
<u>Mechanical business unit ("MBU")</u>			
- Singapore	6,649	357	7,006
- Malaysia	4,420	330	4,750
- Indonesia	11,420	172	11,592
- Other countries	1,214	110	1,324
	23,703	969	24,672
	132,870	969	133,839

Notes to the Financial Statements

For the financial year ended 31 March 2021

4 Revenue (continued)

(b) Contract assets

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Contract assets</u>		
- MBU contracts (Note 15)	28	342

Contract assets relate to MBU contracts decreased due to lesser uncompleted projects at year end.

5 Other income

	Group	
	2021	2020
	S\$'000	S\$'000
Bad debt recovery	54	–
Dividend income on financial assets, at FVOCI	91	13
Government grants ^(a)	498	20
Sales of scrap and other materials	–	110
Service income	44	46
Others	45	62
	732	251

^(a) Grant income of \$448,000 (2020: \$Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

6 Other losses - net

	Group	
	2021	2020
	S\$'000	S\$'000
Currency exchange gains/(losses) - net	519	(322)
Fair value gain on financial assets, at FVPL (Note 13)	2,675	–
Gain on disposal of property, plant and equipment	804	–
Loss on deemed disposal in associated company (Note 19)	(3,804)	–
Loss on partial disposal of associated company	(439)	–
	(245)	(322)

Notes to the Financial Statements

For the financial year ended 31 March 2021

7 Expenses by nature

	Group	
	2021	2020
	S\$'000	S\$'000
Purchase of inventories	132,817	105,026
Amortisation of intangible assets (Note 22(c))	386	398
Depreciation of property, plant and equipment (Note 20)	1,232	1,336
Total amortisation and depreciation	1,618	1,734
Bad debts written off	40	–
Commission expenses	134	471
Directors' fees	33	159
Employee compensation (Note 8)	10,509	10,811
Fees on audit services paid/payable to:		
- Auditor of the Company	187	170
- Other auditors*	46	43
Fees on non-audit services paid/payable to auditor of the Company	56	18
Total fees on audit and non-audit services	289	231
Freight charges	745	629
Inventories written-down	667	333
Packing materials	73	79
Professional fees	467	318
Rental expenses (Note 21(c))	183	38
Sub-contractor fee	566	976
Travelling, transportation and entertainment	301	472
Utilities	2,162	2,118
Workshop, repair and maintenance	1,036	806
Changes in inventories	(6,761)	10,778
Other expenses	887	942
Total cost of sales, administrative, and distribution and marketing expenses	145,766	135,921

* Includes the member firms of Nexia International network.

8 Employee compensation

	Group	
	2021	2020
	S\$'000	S\$'000
Wages and salaries	9,698	9,402
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	511	565
Defined benefits obligation (Note 23)	(149)	387
Other short-term benefits	449	457
	10,509	10,811

Notes to the Financial Statements

For the financial year ended 31 March 2021

9 Finance expenses

	Group	
	2021 S\$'000	2020 S\$'000
Interest expense:		
- Bank overdraft	25	101
- Bank borrowings	667	892
- Lease liabilities (Note 21(b))	35	44
- Loan from immediate and ultimate holding corporation	-	20
- Loan from a related party	-	59
- Loan from a non-related party	40	20
	767	1,136

10 Income tax expense

(a) *Income tax expense*

	Group	
	2021 S\$'000	2020 S\$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
- Singapore	28	23
- Foreign	114	119
	142	142
Deferred income tax (Note 10(c))	(20)	(20)
(Over)/Under provision in prior financial year		
- Current income tax - Singapore	(1)	-
- Current income tax - Foreign	-	138
	121	260

Notes to the Financial Statements

For the financial year ended 31 March 2021

10 Income tax expense (continued)

(a) Income tax expense (continued)

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

	Group	
	2021	2020
	S\$'000	S\$'000
Loss before income tax	(1,648)	(3,586)
Less: Share of loss/(profit) of associated company, net of tax (Note 19)	312	(88)
Loss before income tax and share of loss/(profit) of associated company	<u>(1,336)</u>	<u>(3,674)</u>
Tax calculated at tax rate of 17% (2020: 17%)	(227)	(625)
Effects of:		
- Different tax rate in other countries	277	81
- Expenses not deductible for tax purposes	1,529	1,353
- Income not subject to tax	(992)	(1,373)
- Tax exemption	(7)	-
- Utilisation of previously unrecognised capital allowances and tax losses	(792)	(152)
- Deferred tax assets not recognised	391	828
- (Over)/Under provision in prior financial year	(1)	138
- Others	(57)	10
	<u>121</u>	<u>260</u>

(b) Movement in current income tax liabilities

	Group	
	2021	2020
	S\$'000	S\$'000
Beginning of financial year	477	326
Income tax paid	(228)	(129)
Current income tax	142	142
(Over)/Under provision in prior financial year	(1)	138
End of financial year	<u>390</u>	<u>477</u>

Notes to the Financial Statements

For the financial year ended 31 March 2021

10 Income tax expense (continued)

(c) *Deferred income taxes*

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. The amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Deferred tax liabilities	76	96

Movement in deferred income tax liabilities account is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Fair value of property, plant and equipment</u>		
Beginning of financial year	96	116
Tax credited to profit or loss (Note 10(a))	(20)	(20)
End of financial year	76	96

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 S\$21,319,000 (2020: S\$22,030,000) and S\$1,599,000 (2020: S\$2,762,000) respectively at the reporting 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 S\$9,283,000 and S\$2,988,000 (2020: S\$10,663,000 and S\$4,142,000) which can only be carried forward up to 5 and 7 years respectively.

11 Earnings per share

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

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares.

	2021	2020
	S\$'000	S\$'000
Net loss attributable to equity holders of the Company	(1,812)	(4,017)
Weighted average number of ordinary shares outstanding for basic earnings per share	253,437	253,437
Basic and diluted loss per share (cents per share)	(0.72)	(1.59)

Notes to the Financial Statements

For the financial year ended 31 March 2021

12 Cash and cash equivalents

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash and bank balances	5,599	7,372	107	34
Short-term bank deposits	2,088	1,000	–	–
	<u>7,687</u>	<u>8,372</u>	<u>107</u>	<u>34</u>

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

	Group	
	2021 S\$'000	2020 S\$'000
Cash and bank balances (as above)	7,687	8,372
Less: Bank deposits pledged for banking facilities	(2,088)	(1,000)
Bank overdrafts (Note 24)	(372)	(1,205)
Cash and cash equivalents per consolidated statement of cash flows	<u>5,227</u>	<u>6,167</u>

Bank deposits are pledged with financial institutions to secure certain banking facilities which will be utilised for funding of the working capital of the Group (Note 24).

13 Financial assets, at FVPL

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Beginning of financial year	33	33	–	–
Reclassification from investment in associated company (Note 19)	6,555	–	6,555	–
Fair value gain (Note 6)	2,675	–	2,670	–
End of financial year	<u>9,263</u>	<u>33</u>	<u>9,225</u>	<u>–</u>
Listed equity securities				
- Singapore	38	33	–	–
- Malaysia	9,225	–	9,225	–
	<u>9,263</u>	<u>33</u>	<u>9,225</u>	<u>–</u>

The instruments are all mandatorily measured at fair value through profit or loss.

Part of the listed equity securities in Malaysia amounting to S\$6,847,000 (2020: Nil) has been pledged as security for the Group's and the Company's margin facility account (Note 24). Under the terms and conditions of the letter of offer, the Group and the Company is prohibited from disposing of the securities or subjecting it to further changes without furnishing a replacement security of similar value.

Notes to the Financial Statements

For the financial year ended 31 March 2021

14 Financial assets, at FVOCI

	Group and Company	
	2021	2020
	S\$'000	S\$'000
Beginning of financial year	529	1,024
Fair value gains/(losses) recognised in other comprehensive income (Note 28(b)(ii))	507	(495)
Reclassified to investment in associated company (Note 19)	(989)	–
End of financial year	47	529

Financial assets, at FVOCI are analysed as follows:

Listed securities - Malaysia

Current

- Quoted redeemable convertible preference shares (Note a) – 482

Non-current

- Quoted equity securities (Note b) 47 47

47 529

- (a) In September 2017, the Company participated in the corporate exercise of the associated company and subscribed for the renounceable rights issue of 6,243,154 redeemable convertible preference shares ("RCPS") on the basis of one (1) RCPS for every four (4) existing shares at an indicative issue price of RM0.95 per RCPS.

Each RCPS may be converted into one (1) new share at a conversion price of RM0.95, which is equivalent to the issue price. The conversion of RCPS will not require any cash payment by the RCPS holders. The conversion price shall be satisfied by surrendering one (1) RCPS for one (1) new share. The RCPS may be converted at any time beginning from the issue date until the maturity date (the day falling five (5) years from the issue date unless the tenure of the RCPS, if permitted by law, is extended by the associated company and the RCPS holders).

The associated company shall have the option to redeem the RCPS in cash at 100% of the issue price, at any time from and including the third anniversary of the issue date up to the date immediately preceding the maturity date, the Company would be obliged to sell the RCPS to the associated company upon the exercise of the option and the Company would not be able to control the occurrence of such event. Accordingly, the Company has classified its instrument in RCPS as current asset. In the event that the RCPS not converted or redeemed by the maturity date, the RCPS shall be automatically converted into new shares in the associated company.

During the financial year ended 31 March 2021, the Group converted all 6,243,154 RCPS to ordinary shares of the associated company. The RCPS had a fair value of S\$989,000 at the date of conversion which was reclassified to investment in associated company (Note 19) and the cumulative gain of S\$1,062,000 on the conversion was reclassified from fair value reserve (Note 28(b)(ii)) to retained profits.

- (b) The Company held (i) 15,300 (2020: 15,300) shares in a listed company in Malaysia, which is primarily involved in the manufacturing and marketing of steel coils and (ii) 342,000 (2020: 342,000) shares in a listed company in Malaysia, which is primarily involved in real estate development.

The Group has elected to measure the above financial assets at FVOCI due to management's intention to hold these financial assets for strategic investment purpose.

Notes to the Financial Statements

For the financial year ended 31 March 2021

15 Trade and other receivables

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Trade receivables				
- Non-related parties	22,596	23,742	-	-
- Related parties	-	1,248	-	-
	22,596	24,990	-	-
Contract assets (Note 4(b))	28	342	-	-
	22,624	25,332	-	-
Less: Loss allowance (Note 32(b))				
- Non-related parties	(1,007)	(722)	-	-
Trade receivables - net	21,617	24,610	-	-
Non-trade receivables				
- Non-related parties	1,036	573	-	-
- Subsidiary corporations	-	-	3,183	32,034
- Immediate and ultimate holding corporation	5,160	3,803	-	-
- Related parties	61	-	-	-
	6,257	4,376	3,183	32,034
Less: Loss allowance (Note 32(b))				
- Subsidiary corporations	-	-	(7)	(13,631)
Non-trade receivables - net	6,257	4,376	3,176	18,403
Advance to suppliers	537	503	-	-
	28,411	29,489	3,176	18,403

The non-trade receivables due from subsidiary corporations, immediate and ultimate holding corporation and related parties are unsecured, interest-free and are repayable on demand.

16 Inventories

	Group	
	2021 S\$'000	2020 S\$'000
Raw materials	2,126	1,029
Work-in-progress	198	1
Finished goods	1,292	1,337
Trading goods	11,560	6,715
	15,176	9,082

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$126,723,000 (2020: S\$116,137,000).

Notes to the Financial Statements

For the financial year ended 31 March 2021

17 Other current assets

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Deposits	641	599	12	3
Prepayments	44	116	1	8
Properties held-in-trust (Note a)	7,300	7,300	–	–
	<u>7,985</u>	<u>8,015</u>	<u>13</u>	<u>11</u>

- (a) The acquisition of WE Components Pte. Ltd. ("WEC") and its subsidiary corporations ("WEC Group") from Accrelist 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 were not directly transferable to the Vendor, the Excluded Properties continued to be presented as "Non-current assets classified as held-for-sale" on the Statements of Financial Position as at 1 April 2018.

During the financial year ended 31 March 2019, WEC had agreed in-principal to accept the terms of the new financing from another financial institution with the Excluded Properties to be pledged as collateral to secure the banking facilities.

In addition, WEC became an indirect subsidiary corporation of the Vendor following the conversion of the convertible loan issued by the Company. In view of these events, management has assessed that it was not highly probable that the Excluded Properties can be transferred within the next 12 months and as the Vendor remained to have the rights over the Excluded Properties, which can be exercised anytime at the agreed consideration of S\$7,300,000, management was of the view that the Excluded Properties shall be reclassified as "Properties held-in-trust" under other current assets and measured as cost.

Notes to the Financial Statements

For the financial year ended 31 March 2021

18 Investments in subsidiary corporations

	Company	
	2021 S\$'000	2020 S\$'000
<i>Equity investments at cost</i>		
Beginning of financial year	45,966	45,966
Additions (Note a)	31,800	–
Transfers (Note b)	(3,000)	–
End of financial year	74,766	45,966
<i>Allowance for impairment loss</i>		
Beginning of financial year	21,510	21,510
Impairment losses (Note c)	13,600	–
End of financial year	35,110	21,510
Net carrying amount	39,656	24,456

- (a) On 30 September 2020, the Company has subscribed 13,600,000 ordinary shares of its subsidiary corporation - Jubilee Industries (S) Pte Ltd by way of capitalisation of S\$13,600,000 on the amount due from its subsidiary corporation.

On 8 October 2020, the Company has subscribed 18,200,000 ordinary shares of its subsidiary corporation – WE Components Pte Ltd by way of capitalisation of S\$18,200,000 on the amount due from its subsidiary corporation

- (b) On 30 October 2020, the Company performed an internal restructuring exercise by transferring its entire shareholding in Honfoong Plastic Industries Pte Ltd to a wholly-owned subsidiary corporation of the Company, WE Total Engineering Sdn Bhd.
- (c) The impairment test assessment was carried out by management as at 31 March 2021 for its subsidiary corporation - Jubilee Industries (S) Pte Ltd. The recoverable amount was determined based on value-in-use which has indicated that the recoverable amount for the investment is lower than its carrying amount. Consequently, due to weak business outlook, the cost of investment for the subsidiary corporation had been fully impaired.

Details of subsidiary corporations are as follows:

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2021 %	2020 %	2021 %	2020 %
<i>Held by the Company</i>						
Jubilee Industries (S) Pte Ltd ^(a)	Manufacturer and dealer of precision plastic and metal mould	Singapore	100	100	100	100
E'Mold Holding Pte Ltd ^(a)	Investment holding	Singapore	100	100	100	100
J Capital Pte Ltd ^(a)	Investment holding	Singapore	100	100	100	100
WE Components Pte Ltd ^(a)	Trading in electronic components	Singapore	100	100	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2021

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2021 %	2020 %	2021 %	2020 %
<i>Held by subsidiary corporations</i>						
We Total Engineering Sdn Bhd ^(f)	Manufacturer and dealer of precision plastic and metal mould	Malaysia	100	100	100	100
E'Mold Manufacturing (Kunshan) Co. Ltd ^(d)	Manufacturer and dealer of precision plastic and metal mould	People's Republic of China	100	100	100	100
WE Components (Shanghai) Co Ltd ^(b) (Audited by Shangzi Certified Public Accountants Co., Ltd)	Trading in electronic components	People's Republic of China	100	100	100	100
WE Components Co Ltd ^(b) (Audited by BZY Audit (Thailand) Limited)	Trading in electronic components	Thailand	100	100	100	100
WE Components (Hong Kong) Limited ^(c)	Trading in electronic components	Hong Kong	100	100	100	100
WE Components (Shenzhen) Co Ltd ^(d)	Trading in electronic components	People's Republic of China	100	100	100	100
Kin Wai Technology Ltd ^(d)	Trading in electronic components	British Virgin Islands/People's Republic of China	100	100	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2021

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name of companies	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2021 %	2020 %	2021 %	2020 %
<i>Held by subsidiary corporations (continued)</i>						
WE Microelectronics Pte Ltd ^(a)	Trading in electronic components	Singapore	100	100	100	100
WE Components (Penang) Sdn Bhd ^(b) (Audited by Moore Stephens Associates PLT)	Trading in electronic components	Malaysia	100	100	100	100
WE Components India Pvt Ltd ^(b) (Audited by Arts & Co)	Trading in electronic components	India	100	100	100	100
Honfoong Plastic Industries Pte Ltd ^(a)	Manufacturer and dealer of precision plastic and metal mould	Singapore	70	70	70	70
PT Honfoong Plastic Industries ^(e)	Manufacturer and dealer of precision plastic and metal mould	Indonesia	100	100	70	70

^(a) Audited by Nexia TS Public Accounting Corporation, Singapore, a member firm of Nexia International.

^(b) Audited by other independent auditors other than member firms of Nexia International for local statutory audit purposes. Their names are indicated as above.

^(c) Audited by Fan, Chan & Co. Limited, a member firm of Nexia International for consolidation purposes.

^(d) The subsidiary corporations are dormant and do not require an audit. They are not significant to the Group.

^(e) Audited by Nexia KPS – Kanaka Puradiredja, Suhartono, a member firm of Nexia International for local statutory audit purpose. For the purpose of preparing the consolidated financial statements, financial statements of PT Honfoong Plastic Industries have been audited by Nexia TS Public Accounting Corporation.

^(f) Audited by Soong & Associates for consolidation purposes.

As required by Rule 715 of the Listing Manual of The Singapore Exchange Securities Trading Limited, the audit committee and the board of directors of the Company have satisfied themselves that the appointment of different auditors for certain of its overseas subsidiary corporations would not compromise the standard and effectiveness of the audit of the consolidated financial statements.

Notes to the Financial Statements

For the financial year ended 31 March 2021

18 Investments in subsidiary corporations (continued)

Significant restrictions

Cash and cash equivalents of S\$510,000 (2020: S\$934,000) 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.

Carrying value of non-controlling interests

	2021	2020
	S\$'000	S\$'000
Honfoong Plastic Industries Pte Ltd and its subsidiary corporation ("Honfoong Group")	1,334	1,291

Summarised financial information of Honfoong Group

Set out below are the summarised financial information of Honfoong Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	2021	2020
	S\$'000	S\$'000
<u>Current</u>		
Assets	5,111	5,655
Liabilities	(6,607)	(6,976)
Total current net liabilities	(1,496)	(1,321)
<u>Non-current</u>		
Assets	936	620
Liabilities	(15)	(15)
Total non-current net assets	921	605
Net liabilities	(575)	(716)

Notes to the Financial Statements

For the financial year ended 31 March 2021

18 Investments in subsidiary corporations (continued)

Summarised statement of comprehensive income

	2021 S\$'000	2020 S\$'000
Revenue	17,831	18,737
Profit before income tax	345	686
Income tax expense	(114)	(117)
Net profit	231	569
Other comprehensive loss	(89)	–
Total comprehensive income	142	569
Total comprehensive income allocated to non-controlling interests	42	171

Summarised cash flows statement

	2021 S\$'000	2020 S\$'000
Net cash provided by operating activities	2,007	219
Net cash used in investing activities	(523)	(157)
Net cash used in financing activities	(174)	(38)

19 Investment in associated company

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Beginning of financial year	11,316	11,301	10,934	10,934
Reclassified from financial assets, at FVOCI (Note 14)	989	–	989	–
Disposals	(1,828)	–	(1,828)	–
Share of (loss)/profit	(312)	88	–	–
Share of other comprehensive income/(loss)	194	(73)	–	–
Reclassified to financial assets, at FVPL (Note 13)	(6,555)	–	(6,555)	–
Loss on deemed disposal (Note 6)	(3,804)	–	(3,540)	–
End of financial year	–	11,316	–	10,934

Notes to the Financial Statements

For the financial year ended 31 March 2021

19 Investment in associated company (continued)

Set out below is the associated company of the Group and the Company as at 31 March 2021. 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 Company	Principal activities	Country of business/ incorporation	% of ownership interest	
			2021	2020
			%	%
<u>Held by the Company</u>				
EG Industries Berhad ("EG") ^(a)	Provision of electronics manufacturing services for electronics, electrical, telecommunication and automotive industries products	Malaysia	–	13.77

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

Part of the Company's investment in associated company amounting to S\$Nil (2020: S\$8,836,000) has been pledged as security for the Company's margin facility account (Note 24). 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.

In the prior financial year ended 31 March 2020, the Group accounted 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 held by the Company and a director, and its representation on the Board of EG).

During the financial year ended 31 March 2021, management has assessed that the Group has lost its significant influence over EG as the Group no longer has representation on the Board of EG. Accordingly, the investment in EG was derecognised as an associated company.

The Group recognised the share of profit and share of other comprehensive income until the date that significant influence ceased. The difference between the carrying amount of the retained interest at the date when significant influence was lost and its fair value, amounted to S\$3,804,000 (Note 6), was recognised in profit or loss. The retained interest in EG is classified as financial asset and measured at fair value through profit or loss.

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

Notes to the Financial Statements

For the financial year ended 31 March 2021

19 Investment in associated company (continued)

Summarised financial information for associated company

Summarised statement of financial position

	2020 S\$'000
Current assets	200,605
Current liabilities	(185,935)
Non-current assets	96,683
Non-current liabilities	(3,366)
Net assets	<u>107,987</u>

Summarised statement of comprehensive income

	2020 S\$'000
Revenue	346,922
Profit before income tax	828
Income tax expense	(185)
Net profit	<u>643</u>
Other comprehensive loss	(523)
Total comprehensive income	<u>120</u>

The information above reflected 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, if any.

Reconciliation of summarised financial information

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

	2020 S\$'000
Net assets	<u>107,987</u>
Interest in associated company (2020: 13.77%)	14,870
Fair value adjustment	(1,534)
Effect of changes in equity	(1,685)
Effect of additional investment in associated company	(1,140)
Other adjustments	805
Carrying value of the Group's interest in the associated company	<u>11,316</u>

Notes to the Financial Statements

For the financial year ended 31 March 2021

20 Property, plant and equipment

	Leasehold properties S\$'000	Buildings 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								
2021								
Cost								
Beginning of financial year	5,720	871	14,036	611	2,520	352	4,402	28,512
Currency translation differences	–	(7)	(91)	(2)	(12)	(4)	(22)	(138)
Additions	–	–	297	106	101	–	334	838
Disposals	–	–	(2,470)	(201)	(1,470)	–	(7)	(4,148)
End of financial year	5,720	864	11,772	514	1,139	348	4,707	25,064
Accumulated depreciation								
Beginning of financial year	538	412	12,822	318	2,376	329	4,168	20,963
Currency translation differences	–	(4)	(83)	(1)	(11)	(3)	(21)	(123)
Depreciation charge (Note 7)	281	359	370	83	72	3	64	1,232
Disposals	–	–	(2,464)	(201)	(1,470)	–	(7)	(4,142)
End of financial year	819	767	10,645	199	967	329	4,204	17,930
Accumulated impairment losses								
Beginning of financial year	–	–	82	–	–	–	–	82
Currency translation differences	–	–	(1)	–	–	–	–	(1)
Disposals	–	–	(6)	–	–	–	–	(6)
End of financial year	–	–	75	–	–	–	–	75
Net book value								
End of financial year	4,901	97	1,052	315	172	19	503	7,059

Notes to the Financial Statements

For the financial year ended 31 March 2021

20 Property, plant and equipment (continued)

	Leasehold properties S\$'000	Buildings 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								
2020								
Cost								
Beginning of financial year	5,720	–	14,042	396	2,519	351	4,419	27,447
Adoption of SFRS (I) 16	–	872	–	–	–	–	–	872
Currency translation differences	–	(1)	(101)	(2)	(12)	(4)	(23)	(143)
Additions	–	–	242	217	13	5	6	483
Disposals	–	–	(147)	–	–	–	–	(147)
End of financial year	5,720	871	14,036	611	2,520	352	4,402	28,512
Accumulated depreciation								
Beginning of financial year	220	–	12,656	264	2,309	327	4,128	19,904
Currency translation differences	–	–	(93)	(1)	(11)	(4)	(21)	(130)
Depreciation charge (Note 7)	318	412	406	55	78	6	61	1,336
Disposals	–	–	(147)	–	–	–	–	(147)
End of financial year	538	412	12,822	318	2,376	329	4,168	20,963
Accumulated impairment losses								
Beginning of financial year	–	–	83	–	–	–	–	83
Currency translation differences	–	–	(1)	–	–	–	–	(1)
End of financial year	–	–	82	–	–	–	–	82
Net book value								
End of financial year	5,182	459	1,132	293	144	23	234	7,467

Notes to the Financial Statements

For the financial year ended 31 March 2021

20 Property, plant and equipment (continued)

- (a) Certain bank overdrafts of the Group are secured on the leasehold properties of the Group with carrying amounts of S\$393,000 (2020: S\$433,000) (Note 24).
- (b) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 21(a).

	Company	
	2021	2020
	S\$'000	S\$'000
Office equipment		
Cost		
Beginning and end of financial year	5	5
Accumulated depreciation		
Beginning of financial year	4	4
Depreciation charge	1	*
End of financial year	5	4
Net book value		
End of financial year	-	1

*Amount less than S\$1,000

21 Leases

Nature of the leasing activities – The Group as lessee

Buildings

The Group leases buildings for its production and back office operations in Malaysia, China, Thailand, India and Indonesia. The Group is restricted from assigning and subleasing the buildings to third parties.

Plant and machinery

The Group leases plant and machinery to fulfil the operation needs. There are no externally imposed covenant on these lease arrangements.

Motor vehicles

The Group leases motor vehicles for the purpose of daily operations. There are no externally imposed covenant on these lease arrangements.

Notes to the Financial Statements

For the financial year ended 31 March 2021

21 Leases (continued)

(a) Carrying amounts

ROU assets classified within property, plant and equipment

	Buildings S\$'000	Plant and machinery S\$'000	Motor vehicles S\$'000	Total S\$'000
Group				
2021				
Cost				
Beginning of financial year	871	–	294	1,165
Additions	–	252	91	343
Currency translation differences	(7)	(1)	(1)	(9)
End of financial year	<u>864</u>	<u>251</u>	<u>384</u>	<u>1,499</u>
Accumulated depreciation				
Beginning of financial year	412	–	38	450
Depreciation charge	358	31	67	456
Currency translation differences	(3)	–	–	(3)
End of financial year	<u>767</u>	<u>31</u>	<u>105</u>	<u>903</u>
Carrying amount				
End of financial year	<u>97</u>	<u>220</u>	<u>279</u>	<u>596</u>
2020				
Cost				
Beginning of financial year	–	–	77	77
Adoption of SFRS (I) 16	872	–	–	872
Additions	–	–	217	217
Currency translation differences	(1)	–	–	(1)
End of financial year	<u>871</u>	<u>–</u>	<u>294</u>	<u>1,165</u>
Accumulated depreciation				
Beginning of financial year	–	–	8	8
Depreciation charge	412	–	30	442
End of financial year	<u>412</u>	<u>–</u>	<u>38</u>	<u>450</u>
Carrying amount				
End of financial year	<u>459</u>	<u>–</u>	<u>256</u>	<u>715</u>

(b) Interest expense

	Group	
	2021	2020
	\$	\$
Interest expense on lease liabilities (Note 9)	<u>35</u>	<u>44</u>

Notes to the Financial Statements

For the financial year ended 31 March 2021

21 Leases (continued)

- (c) Lease expense not capitalised in lease liabilities

	Group	
	2021	2020
	\$	\$
Lease expense – short-term leases	176	30
– low-value leases	7	8
Total (Note 7)	183	38

- (d) Total cash outflow for all the leases was S\$658,000 (2020: S\$501,000).

- (e) Future cash outflow which are not capitalised as lease liabilities

Extension options

The leases for certain properties contain extension period, for which the related lease payments had not been included in lease liabilities as the Group is not reasonably certain to exercise the extension option. The Group negotiates extension options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The extension option is exercisable by the Group and not by the lessor.

22 Intangible assets

	Group		Company	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Composition:				
Computer software licenses (Note (a))	–	9	–	–
Distribution rights (Note (b))	1,383	1,760	–	–
	1,383	1,769	–	–

Notes to the Financial Statements

For the financial year ended 31 March 2021

22 Intangible assets (continued)

(a) Computer software licenses

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cost				
Beginning of financial year	719	719	266	266
Disposals	(320)	–	–	–
End of financial year	399	719	266	266
Accumulated amortisation				
Beginning of financial year	710	689	266	258
Amortisation charge	9	21	–	8
Disposals	(320)	–	–	–
End of financial year	399	710	266	266
Net book value				
End of financial year	–	9	–	–

(b) Distribution rights

	Group	
	2021 S\$'000	2020 S\$'000
Cost		
Beginning and end of financial year	3,327	3,327
Accumulated impairment		
Beginning of financial year	1,567	1,190
Amortisation charge	377	377
End of financial year	1,944	1,567
Net book value		
End of financial year	1,383	1,760

(c) Amortisation expense included in the statement of comprehensive income is analysed as follows:

	2021 S\$'000	2020 S\$'000
Administrative expenses (Note 7)	386	398

Notes to the Financial Statements

For the financial year ended 31 March 2021

23 Trade and other payables

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Trade payables				
- Non-related parties	23,752	13,156	-	-
Non-trade payables				
- Non-related parties	1,670	2,041	488	502
- Immediate and ultimate holding corporation	2,202	3,287	7,791	7,688
- Subsidiary corporations	-	-	5,815	5,771
- Related parties	-	525	-	-
	3,872	5,853	14,094	13,961
Accrued operating expenses	1,332	1,570	136	190
Interest payable	-	20	-	20
Defined benefits obligation (Note (a))	1,624	1,789	-	-
Advances received from customers	1,132	247	-	-
	31,712	22,635	14,230	14,171

The non-trade payables due to immediate and ultimate holding corporation, subsidiary corporations and related parties are unsecured, interest-free and payable on demand.

Defined benefits obligation

Obligation recognised in the statement of financial position for:

	Group	
	2021 S\$'000	2020 S\$'000
Post-employment benefits (i)	1,373	1,545
Other long-term employment benefits	251	244
	1,624	1,789
Expenses charged to profit or loss:		
Defined benefits (Note 8)	(149)	387
Re-measurement recognised in other comprehensive income for:		
Defined benefits	89	-
The amount recognised in the statement of financial position is determined as follows:		
Present value of unfunded obligations/liability recognised in the statement of financial position	1,624	1,789

Notes to the Financial Statements

For the financial year ended 31 March 2021

23 Trade and other payables (continued)

Defined benefits obligation (continued)

(i) The movement in the post-employment benefits obligation is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
<u>Present value of obligation</u>		
Beginning of financial year	1,789	1,402
Currency translation differences	(105)	-
Current service cost	174	387
Past service cost	(323)	-
	(149)	387
Re-measurements:		
- Actuarial loss	89	-
End of financial year	1,624	1,789

The significant actuarial assumptions used are as follows:

	Group	
	2021	2020
	%	%
Discount rate	7.8	8.7
Salary growth rate	8.0	8.0
Mortality rate*	TMI 4 (2019)	TMI 3 (2011)
Disability rate	10.0	10.0

* Based on Indonesia Mortality Table

The carrying amount of pension obligation will not have significant changes if the significant actuarial assumptions used has been higher or lower by 1% from management's estimates.

The above sensitivity analysis is based on a change in discount rate assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the reporting date) has been applied as when calculating the post-employment benefits liability recognised within the statement of financial position.

Notes to the Financial Statements

For the financial year ended 31 March 2021

24 Borrowings

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Current				
Bank overdrafts (Note 12)	372	1,205	-	-
Bank borrowings	6,045	11,445	1,122	1,446
Lease liabilities	263	405	-	-
	6,680	13,055	1,122	1,446
Non-current				
Lease liabilities	278	239	-	-
Loan from non-related party	2,000	2,000	2,000	2,000
	2,278	2,239	2,000	2,000
Total borrowings	8,958	15,294	3,122	3,446

The loan from non-related party is unsecured, bears interest of 2% per annum and shall be repaid 3 years after the advance date, which falls on 23 August 2022.

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

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
6 months or less	6,417	12,650	1,122	1,446

(a) *Security granted*

Bank overdrafts of the Group are secured by the Group's certain bank deposits of S\$Nil (2020: S\$364,000) (Note 12), personal guarantee by the directors of the subsidiary corporation, corporate guarantee by the Company, debenture of the subsidiary corporations and certain leasehold properties of the Group (Note 20).

Bank borrowings of the Group and of the Company are secured by the investment in EG of S\$6,847,000 (2020: S\$8,836,000) (Notes 13 and 19), and secured by the corporate guarantee of the immediate and ultimate holding corporation.

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

	Group	
	2021 S\$'000	2020 S\$'000
Loan from non-related party	1,914	1,818

Notes to the Financial Statements

For the financial year ended 31 March 2021

24 Borrowings (continued)

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

The fair value is determined from the cash flow analysis, discounted at market borrowing rate of an equivalent instrument at the reporting date which the directors expect to be available to the Group as follows:

	Group	
	2021 %	2020 %
Loan from non-related party	5.25	5.25

The fair value is within level 2 of the fair value hierarchy.

25 Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital S\$'000	Treasury shares S\$'000	Share capital S\$'000	Treasury shares S\$'000
Group and Company				
2021				
Beginning and end of financial year	256,858	(3,421)	74,429	(736)
2020				
Beginning and end of financial year	256,858	(3,421)	74,429	(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.

The newly issued shares rank pari passu in all respects with the previously issued shares.

Notes to the Financial Statements

For the financial year ended 31 March 2021

26 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.

27 Capital reserve

On 15 June 2012, the Company's wholly-owned subsidiary corporation, E'Molding Plastics Industries Pte Ltd was 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.

28 Other reserves

(a) Composition

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Currency translation reserve	1,312	1,834	-	-
Fair value reserve	22	(1,725)	22	(1,547)
	<u>1,334</u>	<u>109</u>	<u>22</u>	<u>(1,547)</u>

(b) Movements:

(i) Currency translation reserve

	Group	
	2021 S\$'000	2020 S\$'000
Beginning of financial year	1,834	1,718
Net currency translation differences of financial statements of:		
- foreign subsidiary corporations - (losses)/gains	(348)	100
- foreign associated company - gains	-	16
Reclassification upon deemed disposal of associated company	(174)	-
End of financial year	<u>1,312</u>	<u>1,834</u>

Notes to the Financial Statements

For the financial year ended 31 March 2021

28 Other reserves (continued)

(b) *Movements:* (continued)

(ii) Fair value reserve

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Beginning of financial year	(1,725)	(1,141)	(1,547)	(1,052)
Fair value gains/ (losses) on financial assets, at FVOCI (Note 14)	507	(495)	507	(495)
Share of associated company's fair value gains/(losses) on financial asset, at FVOCI	194	(89)	-	-
Reclassification upon disposal of financial assets, at FVOCI (Note 29)	1,062	-	1,062	-
Reclassification upon deemed disposal of associated company	(16)	-	-	-
End of financial year	22	(1,725)	22	(1,547)

29 Accumulated losses

Movement in accumulated losses of the Company is as follows:

	2021 S\$'000	2020 S\$'000
Beginning of financial year	(35,253)	(30,502)
Total comprehensive loss	(2,386)	(4,751)
Transfer upon disposal of financial assets (Note 28(b)(ii))	(1,062)	-
End of financial year	(38,701)	(35,253)

Notes to the Financial Statements

For the financial year ended 31 March 2021

30 Contingencies

(a) 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. No liabilities are recognised by the Company as it is considered unlikely that there will be significant outflows of resources made by the Company as a result of the financial support provided.

(b) Corrupt Practices Investigation Bureau investigation

On 25 February 2020, the Group's Executive Chairman and Chief Executive Officer, Mr Terence Tea, together with two other senior management personnel of the Group were requested by Corrupt Practices Investigation Bureau ("CPIB") to assist in investigation.

The investigation relates to certain expenses incurred and a payment made by Honfoong Plastic Industries Pte. Ltd., a 70% owned subsidiary corporation of the Group.

The Board has taken Nominating Committee's recommendation and is of the view that Mr Terence Tea and the management personnel should continue to discharge their responsibilities and duties in the operation of the Group's businesses to ensure business continuity. The Board will reassess its position where appropriate in due course.

At the date of these financial statements, the Company is unable to estimate its financial impact as there have been no charges brought against the Company, Mr Terence Tea or the other two management personnel.

31 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	
	2021	2020
	S\$'000	S\$'000
Sales of goods to related parties	–	1,451
Purchase of goods and services from related parties	–	2
Rental and management fees charged to a related party	–	18

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 2021, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 15 and 23 respectively.

Notes to the Financial Statements

For the financial year ended 31 March 2021

31 Related party transactions (continued)

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2021	2020
	S\$'000	S\$'000
Directors' fee	33	159
Wages and salaries	1,059	761
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	5	59
Employee share award expense	36	63
Other short-term benefits	147	139
	1,280	1,181
	1,280	1,181
Analysed as:		
Directors of the Company	893	159
Other key management personnel	387	1,022
	1,280	1,181
	1,280	1,181

32 Financial risk management

Financial risk factors

The Group's activities expose it to market risk (including currency risk, interest rate risk and price 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.

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 risks.

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

(a) Market risk

(i) Currency risk

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") and Ringgit Malaysia ("MYR"). To manage the currency risk, the Group relies on natural hedging as a risk management tool.

In addition, the Group is also exposed to currency translation risk to the net assets of the Group's foreign operations.

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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.

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

	SGD S\$'000	USD S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
Group					
2021					
Financial assets					
Cash and cash equivalents	639	4,935	981	1,132	7,687
Trade and other receivables	6,966	19,084	1,718	106	27,874
Inter-company balances	18,896	25,775	–	5,699	50,370
Other current assets	326	–	231	84	641
Financial assets, at FVPL	38	–	9,225	–	9,263
Financial assets, at FVOCI	–	–	47	–	47
	26,865	49,794	12,202	7,021	95,882
Financial liabilities					
Trade and other payables	6,283	20,882	1,605	1,810	30,580
Inter-company balances	18,896	25,775	–	5,699	50,370
Borrowings	3,072	3,764	2,102	20	8,958
	28,251	50,421	3,707	7,529	89,908
Net financial (liabilities)/assets	(1,386)	(627)	8,495	(508)	5,974
Add: Net financial assets/(liabilities) denominated in respective entities' functional currencies	657	(258)	(278)	574	695
Currency exposure of financial (liabilities)/assets	(729)	(885)	8,217	66	6,669

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(a) *Market risk* (continued)

(i) Currency risk (continued)

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

	SGD S\$'000	USD S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
Group					
2020					
Financial assets					
Cash and cash equivalents	1,300	5,040	276	1,756	8,372
Trade and other receivables	5,176	23,048	572	190	28,986
Inter-company balances	24,987	17,474	–	7,517	49,978
Other current assets	318	–	212	69	599
Financial assets, at FVPL	33	–	–	–	33
Financial assets, at FVOCI	–	–	529	–	529
	31,814	45,562	1,589	9,532	88,497
Financial liabilities					
Trade and other payables	7,249	11,837	1,726	1,576	22,388
Inter-company balances	24,987	17,474	–	7,517	49,978
Borrowings	4,964	8,364	1,839	127	15,294
	37,200	37,675	3,565	9,220	87,660
Net financial (liabilities)/assets	(5,386)	7,887	(1,976)	312	837
Add: Net financial assets/(liabilities) denominated in respective entities' functional currencies	4,350	17	1,051	(147)	5,271
Currency exposure of financial (liabilities)/assets	(1,036)	7,904	(925)	165	6,108

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD and MYR change against the SGD by 3% (2020: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the financial performance of the Group will be as follows:

	Increase/(decrease)	
	Net Profit	
	2021	2020
	S\$'000	S\$'000
USD against SGD		
- Strengthened	(27)	247
- Weakened	27	(247)
MYR against SGD		
- Strengthened	237	(28)
- Weakened	(237)	28

(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 and the Company's interest rate risk mainly arises from bank borrowings at variable rates. The Group and the Company manages its interest rate risk by keeping bank borrowing to the minimum required to sustain the operations of the Group and the Company.

If the interest rates increase/decrease by 1% (2020: 1%) with all other variables including tax rate being held constant, net profit of the Group and the Company would have been lower/higher by S\$64,000 and S\$11,000 (2020: S\$127,000 and S\$14,000) respectively.

(iii) Price risk

The Group is exposed to equity securities price risk arising from the investments held by the Group which are classified as financial assets, at FVOCI and at FVPL. To manage its price risk arising from investment in equity securities, the Group diversifies its portfolio with the limits set by the BOD.

If prices for equity securities listed in Malaysia had changed by 10% (2020: 10%) with all other variables including tax rate being held constant, the effects would have been:

	Increase/(decrease)		Increase/(decrease)	
	Net Profit		Other comprehensive income	
	2021	2020	2021	2020
	S\$'000	S\$'000	S\$'000	S\$'000
Group and Company				
Listed in Malaysia				
- increased by	926	3	5	53
- decreased by	(926)	(3)	(5)	(53)

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 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 and other 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 high credit quality counterparties.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the management based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the management.

The trade receivables of the Group comprise 3 debtors (2020: 3 debtors) that individually represented 6 - 14% (2020: 7 - 11%) of the Group's total trade receivables.

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

	Group	
	2021	2020
	S\$'000	S\$'000
<u>By geographical areas</u>		
Singapore	2,407	3,815
United States of America	1,362	305
Malaysia	3,011	1,953
People's Republic of China	3,792	7,755
India	2,125	214
Indonesia	1,141	2,734
Thailand	4,330	4,163
Vietnam	1,708	1,386
Other countries	1,741	2,285
	21,617	24,610
<u>By types of customers</u>		
Related parties	-	1,248
Non-related parties		
- Multi-national companies	10,764	9,799
- Other companies	10,853	13,563
	21,617	24,610

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 statement of financial position.

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(b) Credit risk (continued)

The movement in credit loss allowance are as follows:

	Trade receivables S\$'000	Other receivables S\$'000	Total S\$'000
Group			
Balance at 1 April 2019	325	303	628
Loss allowance recognised during the financial year	392	–	392
Written off	–	(303)	(303)
Currency translation difference	5	–	5
Balance at 31 March 2020 (Note 15)	722	–	722
Loss allowance recognised during the financial year	304	–	304
Written off	(11)	–	(11)
Currency translation difference	(8)	–	(8)
Balance at 31 March 2021 (Note 15)	1,007	–	1,007
Company			
Balance at 1 April 2019	–	9,019	9,019
Loss allowance recognised during the financial year	–	4,612	4,612
Balance at 31 March 2020 (Note 15)	–	13,631	13,631
Reversal	–	(13,624)	(13,624)
Balance at 31 March 2021 (Note 15)	–	7	7

(i) Trade receivables

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables. In measuring the expected credit losses ("ECL"), trade receivables are grouped based on shared credit risk characteristics and days past due.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

Trade receivables are written off when there is no reasonable expectation of recovery. Based on the historical credit loss experience, the Group considers a financial asset as in default if the counterparty fails to make contractual payments within 180 days when they fall due which is derived based on the Group's historical information, and write-off the financial asset when there is no reasonable ground to recover the receivables after all enforcement activity has been taken by the Group.

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 are set out in the provision matrix as follows:

	Gross amount S\$'000	Loss allowance S\$'000	Carrying amount S\$'000
Group			
2021			
EBU			
Not past due	13,480	–	13,480
< 30 days past due	1,424	–	1,424
30 days to 60 days past due	444	–	444
60 days to 90 days past due	48	–	48
90 days to 180 days past due	38	–	38
180 days to 365 days past due	9	–	9
> 365 days past due	1,977	(973)	1,004
	17,420	(973)	16,447

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

	Gross amount S\$'000	Loss allowance S\$'000	Carrying amount S\$'000
Group			
2021			
MBU			
Not past due	3,112	–	3,112
< 30 days past due	965	–	965
30 days to 60 days past due	403	–	403
60 days to 90 days past due	239	–	239
90 days to 180 days past due	332	–	332
180 days to 365 days past due	129	(29)	100
> 365 days past due	24	(5)	19
	5,204	(34)	5,170
2020			
EBU			
Not past due	12,587	–	12,587
< 30 days past due	1,446	–	1,446
30 days to 60 days past due	257	–	257
60 days to 90 days past due	232	–	232
90 days to 180 days past due	627	–	627
180 days to 365 days past due	2,743	–	2,743
> 365 days past due	2,907	(722)	2,185
	20,799	(722)	20,077
MBU			
Not past due	3,360	–	3,360
< 30 days past due	889	–	889
30 days to 60 days past due	207	–	207
60 days to 90 days past due	9	–	9
90 days to 180 days past due	3	–	3
180 days to 365 days past due	6	–	6
> 365 days past due	59	–	59
	4,533	–	4,533

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(b) Credit risk (continued)

(ii) Other receivables

The Group and the Company use the general approach for assessment of ECLs for these financial assets. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Group and the Company assess whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, the loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group and the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's and the Company's historical experience and informed credit assessment.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, the loss allowance is measured at an amount equal to 12-month ECLs.

As at 31 March 2021, the Group performed an assessment of impairment using the 12-month ECL basis on these financial assets. The Group concluded the loss allowance is adequate.

(iii) Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short term funding requirements. Impairment on these balances has been measured on the 12-month expected loss basis. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate.

(iv) Cash and cash equivalents

The Group and the Company held cash and cash equivalents with reputable licensed financial institutions with high credit-ratings and considered to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(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 borrowings.

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 reporting 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 5 years S\$'000
Group		
2021		
Trade and other payables	30,580	–
Lease liabilities	265	293
Borrowings	6,432	2,085
	37,277	2,378
2020		
Trade and other payables	22,388	–
Lease liabilities	425	292
Borrowings	12,765	2,120
	35,578	2,412
Company		
2021		
Trade and other payables	14,230	–
Borrowings	1,122	2,085
	15,352	2,085
2020		
Trade and other payables	14,171	–
Borrowings	1,446	2,120
	15,617	2,120

(d) Capital risk

Management monitors capital based on a gearing ratio. 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 gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as trade and other payables plus borrowings less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(d) *Capital risk* (continued)

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Net debt	32,983	29,557	17,245	17,583
Total equity	35,875	37,570	34,872	36,751
Total capital	68,858	67,127	52,117	54,334
Gearing ratio	48%	44%	33%	32%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 March 2021 and 31 March 2020.

(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:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- 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
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Group	Level 1 S\$'000
2021	
Financial assets, at FVPL	9,263
Financial assets, at FVOCI	47
	<u>9,310</u>
2020	
Financial assets, at FVPL	33
Financial assets, at FVOCI	529
	<u>562</u>
Company	
2021	
Financial assets, at FVPL	9,225
Financial assets, at FVOCI	47
	<u>9,272</u>
2020	
Financial assets, at FVPL	-
Financial assets, at FVOCI	529
	<u>529</u>

Notes to the Financial Statements

For the financial year ended 31 March 2021

32 Financial risk management (continued)

(e) *Fair value measurements* (continued)

There were no transfer between Level 1 and Level 2 during both financial years.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting 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 fair value of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

(f) *Financial instruments by category*

The carrying amounts of the different categories of financial instruments are as follows:

	Group		Company	
	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Financial assets at amortised cost	36,202	37,957	3,295	18,440
Financial assets, at FVPL	9,263	33	9,225	–
Financial assets at FVOCI	47	529	47	529
Financial liabilities at amortised cost	39,538	37,682	17,352	17,617

33 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 is the Group’s chief operating decision maker and comprises the Non-Executive Directors, the Financial Controller, 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: United States of America, Singapore, Malaysia, People’s Republic of China and Europe. All geographic locations are engaged in the provision of MBU and EBU. The Group’s businesses are organised and managed into 2 business segments, namely (1) MBU, which comprise of the provision of precision plastic injection moulding services (“PPIM”) and Design, fabrication and sale of precision plastic injection moulds (“MDF”) and (2) EBU, which related to distribution of electronic components and products, services and solutions to industrial and commercial users.

Notes to the Financial Statements

For the financial year ended 31 March 2021

33 Segment information (continued)

The segment information provided to the Exco for the reportable segments and reconciliation to the consolidated statements of comprehensive income are as follows:

	MBU S\$'000	EBU S\$'000	Others S\$'000	Total S\$'000
2021				
Sales				
Revenue – external parties	25,140	119,856	–	144,996
Gross profit	2,172	5,313	–	7,485
Other income				
- Interest	2	15	1	18
- Others	285	284	163	732
Other losses - net				
- Impairment loss on financial assets at amortised cost	(34)	(270)	–	(304)
- Others	694	96	(1,035)	(245)
Expenses				
- Distribution and marketing	(159)	(206)	(2)	(367)
- Administrative	(2,187)	(4,314)	(1,387)	(7,888)
- Finance	(105)	(532)	(130)	(767)
Share of loss of associated company	–	–	(312)	(312)
Profit/(loss) before income tax	668	386	(2,702)	(1,648)
Depreciation of property, plant and equipment	1,056	175	1	1,232
Amortisation of intangible assets	9	377	–	386

Notes to the Financial Statements

For the financial year ended 31 March 2021

33 Segment information (continued)

The segment information provided to the Exco for the reportable segments and reconciliation to the consolidated statements of comprehensive income are as follows: (continued)

	MBU S\$'000	EBU S\$'000	Others S\$'000	Total S\$'000
2020				
Sales				
Revenue – external parties	24,672	109,167	–	133,839
Gross profit	2,158	4,589	–	6,747
Other income				
- Interest	2	5	–	7
- Others	222	16	13	251
Other losses - net				
- Impairment loss on financial assets at amortised cost	–	(392)	–	(392)
- Others	75	(1,016)	619	(322)
Expenses				
- Distribution and marketing	(147)	(701)	(67)	(915)
- Administrative	(2,252)	(4,688)	(974)	(7,914)
- Finance	(188)	(779)	(169)	(1,136)
Share of profit of associated company	–	–	88	88
Loss before income tax	(130)	(2,966)	(490)	(3,586)
Depreciation of property, plant and equipment	1,133	203	–	1,336
Amortisation of intangible assets	13	377	8	398

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 segment information.

Geographical information

The Group's two business segments operate in four main geographical areas:

- United States of America – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- People's Republic of 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
- ASEAN (comprising Singapore, Malaysia, Indonesia, Thailand and Vietnam) - the operations in these areas are principally the provision of PPIM and MDF and distribution of electronic components. The Company is also headquartered and has operations in this region.
- Other countries – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components.

Notes to the Financial Statements

For the financial year ended 31 March 2021

33 Segment information (continued)

	Non-current assets	
	2021	2020
	S\$'000	S\$'000
Malaysia	963	12,550
Singapore	1,702	2,190
Indonesia	5,807	5,771
Other countries	17	88
	<u>8,489</u>	<u>20,599</u>

The non-current assets are analysed by the geographical area in which the assets are located.

Revenue of approximately S\$11,964,000 (2020: S\$14,228,000) is derived from a single external customer. This revenue is attributable to the EBU segment in People's Republic of China (2020: EBU segment in People's Republic of China).

34 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 2021 and which the Group has not early adopted:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 Jan 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment—Proceeds before Intended Use	1 Jan 2022
Amendments to SFRS(I) 1-37: Onerous Contracts—Cost of Fulfilling a Contract	1 Jan 2022
Annual Improvements to SFRS(I)s 2018-2020	1 Jan 2022
SFRS (I) 17 Insurance Contracts	1 Jan 2023
Amendments to SFRS(I) 17	1 Jan 2023
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 Jan 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

- Amendments to SFRS(I) 1-1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (effective for annual periods beginning on or after 1 January 2023).

The narrow-scope amendments to SFRS(I) 1-1 Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what SFRS(I) 1-1 means when it refers to the 'settlement' of a liability.

The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.

The Group does not expect any significant impact arising from applying these amendments.

Notes to the Financial Statements

For the financial year ended 31 March 2021

34 New or revised accounting standards and interpretations (continued)

- Amendments to SFRS(I) 1-16 Property, Plant and Equipment: Proceeds before Intended Use (effective for annual periods beginning on or after 1 January 2022):

The amendment to SFRS(I) 1-16 Property, Plant and Equipment (PP&E) prohibits an entity from deducting from the cost of an item of PP&E any proceeds received from selling items produced while the entity is preparing the asset for its intended use. It also clarifies that an entity is 'testing whether the asset is functioning properly' when it assesses the technical and physical performance of the asset. The financial performance of the asset is not relevant to this assessment.

Entities must disclose separately the amounts of proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The Group does not expect any significant impact arising from applying these amendments.

- Amendments to SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract (effective for annual periods beginning on or after 1 January 2022)

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it. The amendment to SFRS(I) 1-37 clarifies that the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling contracts.

The Group does not expect any significant impact arising from applying these amendments.

35 Authorisation of financial statements

These financial statements were authorised for issued in accordance with a resolution of the Board of Directors of the Company on 15 July 2021.

Statistics of Shareholdings

As at 18 June 2021

Issued and fully paid-up capital	:	S\$76,581,063.56
Number of Issued Shares (excluding Treasury Shares)	:	253,437,373
Number/Percentage of Treasury Shares	:	3,420,500 (1.35 %)
Voting rights	:	One vote per share
Class of Shares	:	Ordinary Shares

Distribution of shareholdings as at 18 June 2021

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	55	6.49	573	0.00
100 – 1,000	44	5.20	19,325	0.01
1,001 – 10,000	236	27.86	1,259,630	0.50
10,001 – 1,000,000	499	58.91	34,618,165	13.66
1,000,001 and above	13	1.54	217,539,680	85.83
Total	847	100.00	253,437,373	100.00

Twenty Largest Shareholders as at 18 June 2021

No.	Name of Shareholders	No. of Shares	% of Shares
1	ACCRELIST LTD	166,818,931	65.82
2	PHILLIP SECURITIES PTE LTD	11,593,165	4.57
3	WONG LIANG TONG	10,416,666	4.11
4	PEK HAK BIN	7,101,257	2.80
5	DBS NOMINEES PTE LTD	4,905,740	1.94
6	GOH BEE LAN	2,600,000	1.03
7	TAN ENG CHUA EDWIN	2,459,150	0.97
8	JUN YUAN HOLDINGS PTE LTD	2,437,500	0.96
9	CITIBANK NOMINEES SINGAPORE PTE LTD	2,221,250	0.88
10	WONG LIANG YEO	2,083,333	0.82
11	MAYBANK KIM ENG SECURITIES PTE. LTD	2,053,700	0.81
12	TOH SOON HUAT	1,510,100	0.60
13	KOH CHENG POH	1,338,888	0.53
14	TEA LAY SIN	994,126	0.39
15	OCBC SECURITIES PRIVATE LTD	850,500	0.34
16	TEE WEE SIEN (ZHENG WEIXIAN)	830,750	0.33
17	TEO BEE HENG	658,000	0.26
18	TAN KENG SOON	610,400	0.24
19	RAFFLES NOMINEES (PTE) LIMITED	569,800	0.22
20	TAN ENG HONG	486,350	0.19
	Total	222,539,606	87.81

Based on the information available to the Company as at 18 June 2021, approximately 34.11 % of the issued ordinary shares of the Company is held by the public and, therefore, the Company has complied with Rule 723 of the Listing Manual – Section B: Rules of Catalist of Singapore Exchange Securities Trading Limited.

Statistics of Shareholdings

As at 18 June 2021

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Accrelist Ltd	166,818,931	65.82	–	–
Terence Tea Yeok Kian ¹	172,500	0.068	166,818,931	65.82

¹ Terence Tea Yeok Kian is deemed to be interested in 166,818,931 Shares held by Accrelist Ltd, pursuant to Section 7 of the Companies Act, Chapter 50 by virtue of his and his spouse's shareholdings in Accrelist Ltd.

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **JUBILEE INDUSTRIES HOLDINGS LTD.** (the “Company”) will be held by way of electronic means on Friday, 30 July 2021 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 2021, together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of up to S\$180,000 for the financial year ending 31 March 2022, to be paid half-yearly in arrears. (2021: S\$180,000.) **(Resolution 2)**
3. To re-elect Mr Terence Tea Yeok Kian, who is retiring by rotation in accordance with Regulation 89 of the Company’s Constitution, as a Director of the Company. *[See Explanatory note (i)]* **(Resolution 3)**
4. To re-elect Mr Ng Siew Hoong, who is retiring by rotation pursuant to Regulation 89 of the Company’s Constitution, as a Director of the Company. *[See Explanatory note (ii)]* **(Resolution 4)**
5. To re-appoint Nexia TS Public Accounting Corporation as Independent 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 be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

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

“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 treasury shares and subsidiary holdings) from time to time.” *[See Explanatory Note (iii)]*

(Resolution 6)

8. Renewal of the Share Buyback Mandate

“That:-

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the Directors of the Company be authorised to exercise 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(s) 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 purchase(s) (each a “**Market Share Purchase**”), transacted on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) (each an “**Off-Market Share Purchase**”) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act;

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

Notice of Annual General Meeting

- (b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act;
- (c) 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 date on which the next annual general meeting of the Company is held or the date by which such annual general meeting is required by law to be held; or
 - (ii) the date on which pursuant to the Share Buyback Mandate is carried out to the full extent mandated;
 - (iii) the date on which the authority conferred in the Share Buyback Mandate is varied or revoked by the shareholders in a general meeting
- (d) in this Ordinary Resolution:

“Maximum Limit” means ten per cent (10%) of the total number of Shares (excluding treasury shares and subsidiary holdings) as at 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 (excluding treasury shares and subsidiary holdings that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date on which this annual general meeting and expiring on the date the next annual general meeting is held or on the date by which such annual general meeting 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 a 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 the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the rules of the SGX-ST, for any corporation action that occurs after the relevant five-day period;

“day of the making of offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“market days” means a day on which the SGX-ST is open for trading in securities; and

- (e) any of the Directors of the Company are hereby authorised to complete and do all such acts and things (including without limitation; to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient, or necessary to give effect to the transactions contemplated by this Ordinary Resolution.” [See Explanatory Note (iv)] **(Resolution 7)**

Notice of Annual General Meeting

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

"That pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and subject to Rule 806 of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:-

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

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

- II. (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 pursuant to this Resolution (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company (as calculated in accordance with sub-paragraph (2) below);
2. (subject to such manner of calculation as may be prescribed by the SGX-ST), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Ordinary Resolution is passed, after adjusting for:-
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

3. in exercising the authority conferred by this Ordinary Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
4. (unless revoked or varied by the Company in general meeting), the authority conferred by this Ordinary Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or by the date by which the next annual general meeting of the Company is required by law to be held or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest." [See Explanatory Note (v)]

(Resolution 8)

By Order of the Board

Siau Kuei Lian
Sng Ee Lian Eliane
Teo Chia Hui
Company Secretaries

Singapore, 15 July 2021

Notice of Annual General Meeting

Explanatory Notes:

- (i) Mr Terence Tea Yeok Kian, if re-elected, will remain as the Executive Chairman and Chief Executive Officer of the Company, and a member of the Nominating Committee. Please refer to Corporate Governance Report on pages 22 to 27 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
- (ii) Mr Ng Siew Hoong, if re-elected, will remain as the Independent Non-Executive Director of the Company, Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Mr Ng will be considered independent pursuant to Rule 704(7) of Catalist Rules. Please refer to Corporate Governance Report on pages 22 to 27 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
- (iii) Ordinary Resolution 6, if passed, will authorise 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 treasury shares and subsidiary holdings) of the Company from time to time.
- (iv) Ordinary Resolution 7, if passed, will authorise 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 varied or revoked at a general meeting. Please refer to the Circular dated 15 July 2021 for more details.
- (v) Ordinary Resolution 8, if passed, will authorise the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting, or the date by which the next Annual General Meeting is required by law to be held or the date such authority is varied or revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares, make or grant Instruments convertible into new ordinary shares and to issue new ordinary shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

Notes:

General

1. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risk to a minimum, the AGM will be held by way of electronic means and the member will NOT be allowed to attend the AGM in person.
2. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM are set out in this Notice of AGM. The Notice of AGM is also made available on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <https://www.jihldgs.com>.

Participation in AGM proceedings via "Live Webcast/Live Audio Feed"

3. A member will be able to participate at the AGM by watching the AGM proceedings via a "live" audio-video webcast via mobile phones, tablets or computers or listening to the proceedings through a "live" audio-only feed via telephone ("**Live Webcast/Live Audio Feed**"). In order to do so, a member must pre-register by **10.00 a.m. on 27 July 2021** ("**Pre-registration Deadline**"), at the following URL: <https://globalmeeting.bigbangdesign.co/jubilee/> ("**Pre-registration Website**") for the Company to authenticate his/her/its status as members.
4. To pre-register the Live Webcast/Live Audio Feed, kindly access the Pre-registration Website, using either the latest versions of Chrome, Safari, Internet Explorer 11, Edge or Firefox.
5. Following the authentication of his/her/its status as a member, such member will receive an email with instructions on how to access the Live Webcast/Live Audio Feed of the proceedings of the AGM by **12.00 p.m. on 29 July 2021**.
6. Members who do not receive an email by **12.00 p.m. on 29 July 2021**, but have registered by the Pre-registration Deadline, may contact the Company's Share Registrar, B.A.C.S Private Limited, at email address: main@zicoholdings.com with the following details included: (1) the full name of member, and (2) his/her/its identification/registration number.
7. Investors who hold Shares through depository agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live Webcast or listen to the Live Audio Feed of the AGM must approach their respective depository agents to pre-register by **5.00 p.m. on 21 July 2021** in order to allow sufficient time for their respective depository agents to in turn register their interest with the Company.

Notice of Annual General Meeting

Submission of Questions prior to the AGM

8. **A member will not be able to ask questions through Live Webcast/Live Audio Feed.** If a member wishes to submit questions related to the resolutions tabled for approval at the AGM, all questions must be submitted no later than the Pre-registration Deadline through any of the following means:

- (a) via the Pre-registration Website; or
- (b) in hard copy by depositing the same at the registered office of the Company at 10 Ubi Crescent #03-94-96 Ubi Techpark Singapore 408564.

and provide particulars as follows:

- Full name (for individuals) / company name (for corporates) as per CDP/CPF/SRS Account records;
- NRIC or Passport Number (for individuals) / Company Registration Number (for corporates);
- Contact number and email address; and
- The manner in which you hold shares in the Company (e.g. via CDP/CPF/SRS)

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

- 9. In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit their questions via the Pre-registration Website.
- 10. The Company will endeavour to address all substantial and relevant questions received from Members prior to the AGM via SGXNet and on our corporate website or during the AGM through the Live Webcast/Live Audio Feed. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters. The responses from the Board and the Management of the Company shall thereafter be published on SGXNET, together with the minutes of the AGM, within one (1) month after the conclusion of the AGM.

Voting by Proxy

- 11. **A member will not be able to vote through Live Webcast/Live Audio Feed. If a member (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM.** In appointing the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the instrument appointing the Chairman of the AGM as proxy ("**Proxy Form**"), failing which the appointment will be treated as invalid.
- 12. The Proxy Form for the AGM can be assessed at the Company's website at the following URL: <https://www.jihldgs.com>, and is made available with this Notice of AGM on SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> on the same day.
- 13. The Chairman of the AGM, as a proxy, need not be a member of the Company.
- 14. The Proxy Form must be submitted to the Company in the following manner:
 - (a) by depositing a hard copy by post at the office of the Company's Share Registrar at 8 Robinson Road #03-00 ASO Building Singapore 048544; or
 - (b) by sending a scanned PDF copy by email to main@zicoholdings.com
 in either case, no later than **10.00 a.m. on 28 July 2021** ("**Proxy Deadline**").
- 15. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.
- 16. **In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy form electronically via email.**
- 17. The instrument appointing the Chairman of the AGM as proxy must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
- 18. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it 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 the Chairman of the AGM as proxy (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the AGM as proxy).

Notice of Annual General Meeting

19. Investors who hold their Shares through relevant intermediaries* as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **5.00 p.m. 21 July 2021** (being seven (7) working days before the AGM) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
20. In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

No despatch of physical copies

21. The following documents are made available to members on **15 July 2021** together with this Notice of AGM via SGXNet at the following URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the following URL: <https://www.jihldgs.com>:
- (a) Annual Report for the financial year ended 31 March 2021 ("**Annual Report**");
 - (b) Proxy Form in relation to the AGM; and
 - (c) Circular to Shareholders in relation to the Proposed Renewal of the Share Buyback Mandate.
22. There will be no despatch of printed copies of the Annual Report, Notice of AGM, Proxy Form and Circular to Shareholders. Members are advised to check SGXNet at the URL: <https://www.sgx.com/securities/company-announcements> and the Company's website at the URL: <https://www.jihldgs.com> for the aforesaid documents.

*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.

Personal Data Privacy:

By (a) submitting details for the registration to observe the proceedings of the AGM via the Live Webcast/Live Audio Feed, or (b) submitting the Proxy Form appointing the Chairman of the AGM to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared for the AGM. Accordingly, the member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes and retained for such period as may be necessary for the Company's verification and record purposes.

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

*This Notice has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Notice, including the correctness of any of the statements or opinions made or reports contained in this Notice.*

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte Ltd, at 6 Raffles Quay, #24-02, Singapore 048580, sponsor@rhtgoc.com

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. Pursuant to the COVID-19 (Temporary Measures) Act 2020 (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the Annual General Meeting of the Company will be held by way of electronic means.
2. A member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) who wishes to exercise his/her/its vote must appoint the Chairman as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM.
3. An investor who holds Shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and who wishes to appoint the Chairman of the AGM as proxy should inform their respective CPF Agent Banks and/or SRS Operators to submit their votes at least 7 working days before the AGM.
4. This Proxy Form is not valid for use by CPF Investors and/or 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./Company Regn. No.)

of _____ (Address)

being a member/members* of **JUBILEE INDUSTRIES HOLDINGS LTD.** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting as my/our* proxy to vote for me/us* on my/our* behalf at the Annual General Meeting of the Company to be held by way of electronic means on 30 July 2021 at 10.00 a.m. (the "**AGM**") and at any adjournment thereof.

I/We* direct the Chairman of the AGM to vote for or against or abstain from voting the Resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy of that resolution will be treated as invalid.**

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

No.	Ordinary Resolutions relating to:	For	Against	Abstain
ORDINARY BUSINESS				
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2021, together with the Independent Auditors' Report thereon			
2	Approval of Directors' fees of up to S\$180,000 for the financial year ending 31 March 2022, to be paid half-yearly in arrears			
3	Re-election of Mr Terence Tea Yeok Kian as a Director of the Company			
4	Re-election of Mr Ng Siew Hoong as a Director of the Company			
5	Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors to fix their remuneration			
SPECIAL BUSINESS				
6	Authority to grant awards and issue shares pursuant to the Jubilee Share Award Scheme			
7	Approval of the proposed renewal of Share Buyback Mandate			
8	Authority to issue and allot shares in the capital of the Company			

Dated this _____ day of _____ 2021

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

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

*Delete where inapplicable



Notes :

The Proxy Form will be published on the Company's website at the URL <https://www.jihldgs.com> and will also be made available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. There will be no despatch of printed copies of the Annual Report, Notice of Annual General Meeting, Proxy Form and Circular to Shareholders.

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 the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company (including a relevant intermediaries), entitled to attend and vote at AGM of the Company must appoint the Chairman of the AGM to act as proxy and direct the vote at the AGM.
3. In appointing the Chairman of the AGM as proxy, members must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form. Failing which, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
4. The Chairman of the AGM, as proxy, need not be a member of the Company.
5. An investor who holds Shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM (i.e. by **5.00 p.m. 21 July 2021**) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf no later than the Proxy Deadline.
6. This Proxy Form must be submitted to the Company in the following manner:
 - (a) by depositing a hard copy at the office of the Company's Share Registrar, B.A.C.S Private Limited, at 8 Robinson Road #03-00 ASO Building Singapore 048544; or
 - (b) by sending a scanned PDF copy by email to main@zicoholdings.comin either case, not later than **10.00 a.m. 28 July 2021 ("Proxy Deadline")**, and failing which, this Proxy Form will not be treated as valid.
7. A member who wishes to submit an instrument of proxy must first **download, complete and sign the proxy form**, before submitting it by depositing to the address provided above, or scanning and sending it by email to the email address provided above.
8. **In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy form electronically via email.**
9. The instrument appointing the Chairman of the AGM as the proxy must be executed under the hand of the appointor or attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or by an officer duly authorised. Where the instrument appointing the Chairman of the AGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
10. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as the proxy (including any related attachment or supporting documents). In addition, in the case of a member whose Shares are entered against his/her/its name in the Depository Register, the Company may reject any instrument appointing the Chairman of the AGM as the proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 15 July 2021.

Corporate Information

JUBILEE INDUSTRIES HOLDINGS LTD.
Company Registration No. 200904797H

BOARD OF DIRECTORS

TERENCE TEA YEOK KIAN

Executive Chairman and Chief Executive Officer

CHEONG KENG CHUAN ALFRED

Lead Independent Director

NG SIEW HOONG LINUS

Independent Director

KANG PANG KIANG, ALEX

Non-Executive and Non-Independent Director

AUDIT COMMITTEE

CHEONG KENG CHUAN ALFRED

Chairman

NG SIEW HOONG LINUS

Member

KANG PANG KIANG, ALEX

Member

REMUNERATION COMMITTEE

CHEONG KENG CHUAN ALFRED

Chairman

NG SIEW HOONG LINUS

Member

KANG PANG KIANG, ALEX

Member

NOMINATING COMMITTEE

NG SIEW HOONG LINUS

Chairman

TERENCE TEA YEOK KIAN

Member

CHEONG KENG CHUAN ALFRED

Member

JOINT COMPANY SECRETARIES

SIAU KUEI LIAN

SNG EE LIAN ELIANE

TEO CHIA HUI

REGISTERED OFFICE

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

CATALIST SPONSOR

RHT Capital Pte. Ltd.
6 Raffles Quay, #24-02, Singapore 048580

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
80 Robinson Road, #25-00
Singapore 068898
Director-in-Charge: Titus Kuan Tjian
(Appointed since financial year ended 31 March 2020)

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@zicoholdings.com

PRINCIPAL BANKER

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

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

Maybank Singapore Limited
2 Battery Road
Singapore 049907



Jubilee Industries Holdings Ltd.

千禧业科技公司

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

