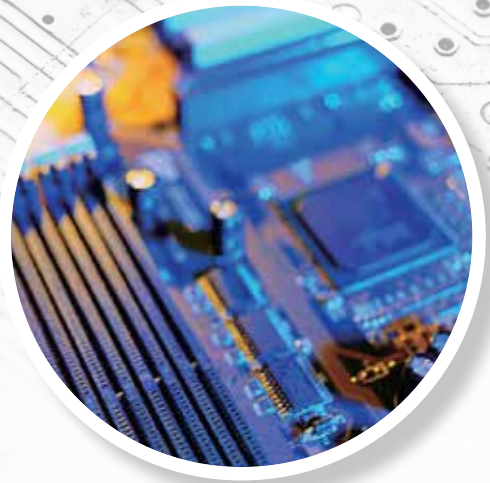




Jubilee Industries Holdings Ltd.
千禧业工艺控股公司



ANNUAL REPORT 2017



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.

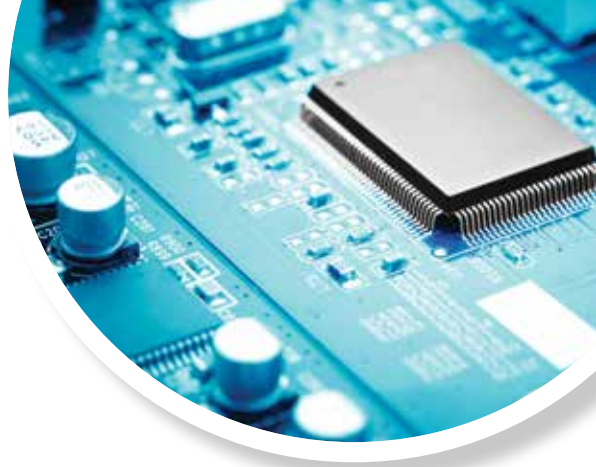
This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd.

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

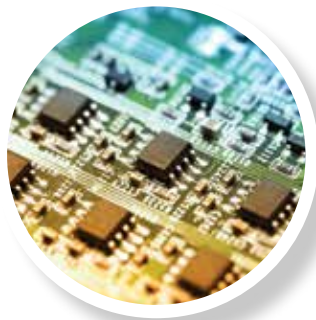
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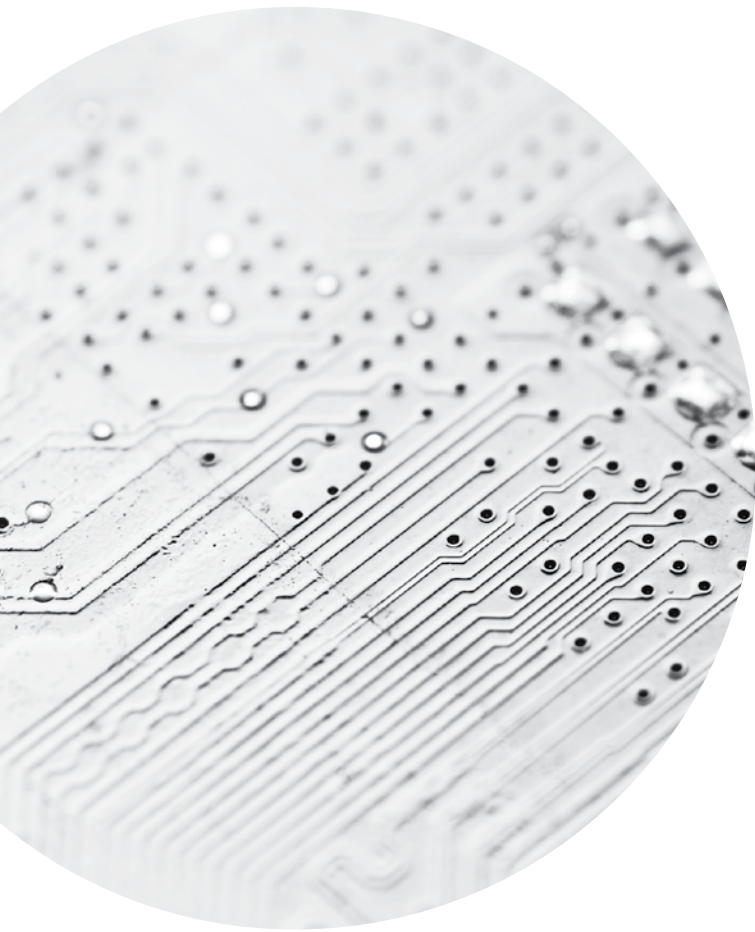


Moulding a Sustainable Future

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



Corporate Profile



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

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

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

MOULD DESIGN AND FABRICATION BUSINESS (“MDF”)

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

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

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

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

Corporate Profile

PRECISION PLASTIC INJECTION MOULDING BUSINESS (“PPIM”)

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

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

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

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

ELECTRONIC COMPONENTS DISTRIBUTION

Our Electronic Components Distribution 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 customers' specific requirements.

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

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



Letter to Shareholders

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Jubilee Industries Holdings Ltd's ("Jubilee" or the "Group") latest annual report for the financial year ended 31 March 2017 ("FY2017").



Terence Tea
Non-Executive Chairman

Improved Performance in FY2017

FY2017 was a year of improved performance at Jubilee, especially in the Electronic Components Distribution segment, which more than offset the slightly weaker performance of its provision of Precision Plastic Injection Moulding ("PPIM") segment and Mould Design and Fabrication ("MDF") segment.

The Group's revenue increased by approximately S\$24.2 million or 28.6% from S\$84.6 million in FY2016 to S\$108.8 million in FY2017. Despite a decrease in revenue for PPIM and MDF segments which is mainly due to decreased orders from customers, the revenue from the Electronic Components Distribution segment increased substantially due to increased business from existing product lines and acquisition of two new product lines to bring about a net increase in total revenue.

The two new product lines were from NeoPhotonics Corporation, which is listed on NYSE, and Taiwan-based Innodisk Corporation, which entered into distributorship agreements with the Group during the financial year. NeoPhotonics Corporation is a global provider of optical components, modules and subsystems to the telecommunications, cable and related markets while Innodisk Corporation is a manufacturer of industrial embedded flash and DRAM storage products.

Gross profit achieved by the Group was also 7.4% higher at S\$3.7 million for FY2017. This was generated after a 29.5% increase in cost of sales to S\$105.0 million, which was broadly in line with the increase in revenue. The Electronic Components Distribution segment was also the largest contributor to gross profit as the other business segments registered losses.

Jubilee continued to apply strict cost control on its overheads in FY2017 and this has resulted in lower total costs of S\$10.4 million excluding a one-off impairment of property, plant and equipment and provisional restructuring costs, as compared to S\$12.7 million in FY2016 or S\$10.3 million if the impairment loss of goodwill was to be excluded.

With the absence of the one-off losses on the dilution of its investment in an associated company as incurred in FY2016 and significantly lower administrative expenses in FY2017, the Group reported lower losses of S\$7.4 million, compared to S\$22.2 million in the financial year before. At the same time, Jubilee also ended the financial year with strong cash and cash equivalents of S\$11.3 million, compared to S\$1.1 million in the previous financial year.

Corporate Development

Over the past few years, the gradual improvements at Jubilee had also been due in part to the support given by the Group's controlling

Letter to Shareholders

shareholder, Accrelist Ltd, which had disbursed a total of US\$16.0 million (equivalent to S\$22.0 million) in loans to Jubilee.

Over the years, Jubilee had been able to improve its working capital even as the Group was not able to easily access external bank facilities. On 7 October 2016, Jubilee entered into a Convertible Loan and Direct Loan agreement with Accrelist Ltd (formerly known as WE Holdings Ltd), whereby US\$8.0 million (equivalent to S\$10.8 million) is convertible into such number of new ordinary shares in the capital of the Company on the terms and subject to the conditions of the Convertible Loan Agreement whilst the other US\$8.0 million (equivalent to S\$11.4 million) was extended to the Company on the terms and subject to the conditions of the Direct Loan Agreement.

These new agreements are very helpful to Jubilee for a number of reasons. Firstly, the Convertible Loan Agreement and the Direct Loan Agreement are beneficial to the Group as these will enable the Group to continue its operations with minimal restrictions as these loans shall be used towards working capital to support the Electronic Components Distribution segment. Secondly, these loans will further enable Jubilee to pursue full and final settlement of the Company's obligation to Accrelist Ltd.

On 31 March 2016, the Group's wholly-owned subsidiary Jubilee Manufacturing Sdn Bhd ("Jubilee Manufacturing Malaysia") entered into a sale and purchase agreement with Oren Sport Sdn Bhd for the sale of the company's property in the State of Johor, Malaysia. The sale consideration for the property of RM5.1 million (approximately S\$1.7 million) and this had helped the Group to improve its working capital in FY2017.

Outlook

Despite the improved performance, the Group remains mindful of the uncertainties in the global economic outlook, increasing costs of operations, especially labour costs, and pricing pressures from customers. The Group has been working to improve the machine utilisation rates in its Malaysia sites and it is envisioned that this would help the Group to achieve cost savings. The Group will continue to seek measures to reduce cost, while being vigilant about changing market conditions. The Group also intends to look into improving product mix towards higher margin products and services.

To this end, the Group has been exploring growth strategies in terms of expanding its customer base and vertically integrating its product lines.

As mentioned, the Electronic Components Distribution segment had acquired two new product lines from NeoPhotonics Corporation and Innodisk Corporation to propel growth in the distribution and supply chain of electronic components. Overall, the Group intends to continue exploring merger and acquisition opportunities and strategic alliances, as and when they arise and where synergies can be found with the Group's businesses.

Appreciation

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

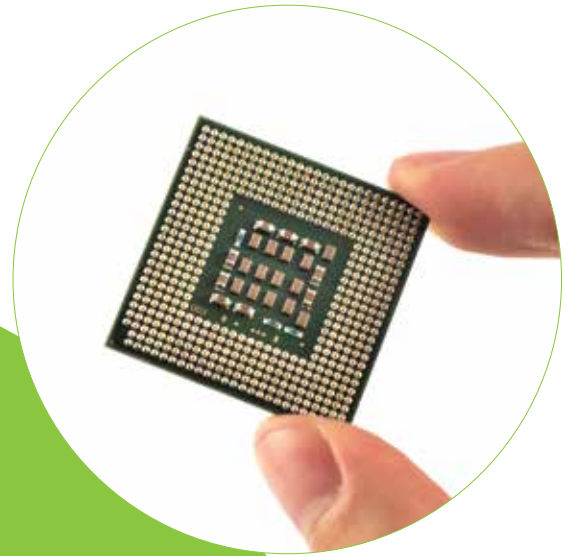
Mr Terence Tea

Non-Executive Chairman
Jubilee Industries Holdings Ltd

July 5, 2017



Operations and Financial Review



Jubilee Industries Holdings Limited (the “Group”) achieved a 28.6% increase in revenue to S\$108.8 million for the financial year ended 31 March 2017 (“FY2017”) compared to S\$84.6 million for the 12 months to 31 March 2016 (“FY2016”).

Operations and Financial Review

Jubilee Industries Holdings Ltd. and its subsidiary corporations (the "Group") achieved a 28.6% increase in revenue to S\$108.8 million for the financial year ended 31 March 2017 ("FY2017") compared to S\$84.6 million for the 12 months to 31 March 2016 ("FY2016").

The Group reported net loss attributable to shareholders of S\$7.4 million for FY2017, a 66.3% improvement from the net loss of S\$22.2 million in FY2016.

Revenue

The Group's revenue growth was mainly attributable to the Electronic Components Distribution segment, which improved substantially from increased business from existing product lines and acquisition of two new product lines from NYSE-listed NeoPhotonics Corporation and Taiwan-based Innodisk Corporation.

During the financial year under review, revenue from the Electronic Components Distribution segment improved by 39.8% to S\$100.4 million. This more than offset the lower revenue from the provision of precision plastic injection moulding ("PPIM") segment and the design, fabrication and sale of precision plastic injection moulds ("MDF") segment, which saw decreased orders from customers. Revenue from the PPIM segment declined 32.4% to S\$6.6 million while the MDF recorded a 40.7% decline to S\$1.7 million in FY2017.

The Group's cost of sales increased by approximately S\$23.9 million or 29.5% from S\$81.1 million in FY2016 to S\$105.0 million in FY2017. The increase in cost of sales was in line with the revenue growth.

As a result, the Group's gross profit improved from S\$3.5 million in FY2016 to S\$3.7 million in FY2017. The Electronic Components Distribution segment's gross profit increased from S\$4.4 million in FY2016 to S\$5.3 million in FY2017.

PPIM segment's gross loss decreased from S\$0.6 million in FY2016 to S\$0.5 million in FY2017. MDF segment's gross loss increased from S\$0.3 million in FY2016 to S\$1.0 million in FY2017 as the revenue generated was unable to cover operational and fixed overhead costs.

Overall, the gross margin of the Group decreased by 0.7% from 4.1% in FY2016 to 3.4% in FY2017. The decrease was due to the decline in revenue for the PPIM and MDF segments owing to competitive market pricing resulting in a decrease in gross profit and gross profit margin despite the increase in gross profit contributed by the Electronic Components Distribution segment.

Other Income and Other Losses – Net

The Group's other income saw a marginal decrease of S\$0.04 million or 7.5% from FY2016 to FY2017. This was mainly from scrap sales, interest income and government grants. Other losses decreased significantly by approximately S\$13.6 million or 90.7% from S\$15.0 million in FY2016 to S\$1.4 million in FY2017. The decrease was principally due to the one-off losses on dilution of its associated company, EG Industries Berhad of S\$13.6 million in FY2016 and currency exchange losses caused by the revaluation of foreign currencies. The continued weakening of the Malaysian Ringgit brought about an unfavourable impact on the Malaysian subsidiaries, whose reporting currency was denominated in the Malaysian Ringgit.

Expenses

Distribution and marketing expenses increased by approximately S\$0.2 million or 18.2% to S\$1.1 million in FY2017 mainly due to an increase in travelling and entertainment expenses which was in line with the higher sales.

Administrative expenses decreased by S\$1.8 million or 16.1% from S\$11.2 million in FY2016 to S\$9.4 million in FY2017. The reduction was due to a write off of S\$2.3 million goodwill from the acquisition of WE Components Pte. Ltd. in FY2016 and continued cost control efforts on operating expenses.

The Group's finance expenses increased by S\$0.1 million or 13.3% from S\$0.3 million in FY2016 to S\$0.4 million in FY2017. The increase was due to charges incurred by letters of credits/trust receipt financing and standby letters of credits/accounts payable bonds issued to key suppliers by the Electronic Components Distribution segment.

Contribution from Associated Company

The Group's share of its profit from its associated company amounted to S\$0.9 million in FY2017 compared to S\$2.0 million in FY2016.

Tax Expense

Income tax expense decreased from S\$0.4 million in FY2016 to Nil in FY2017. This was largely due to a tax penalty paid in FY2016 for prior financial years assessment for its subsidiary corporation in the People's Republic of China.

Operations and Financial Review

Statement of Financial Position

The Group's current assets increased by approximately S\$22.6 million or 67.1% from S\$33.7 million in FY2016 to S\$56.3 million in FY2017. The increase was due to higher trade and other receivables, inventories, cash and cash equivalents and other assets of S\$4.6 million, S\$7.7 million, S\$10.2 million and S\$0.1 million respectively. These increases were in line with the revenue growth.

Non-current assets increased by S\$2.0 million or 17.8% from S\$11.3 million in FY2016 to S\$13.3 million in FY2017. This was mainly due to the increase in intangible assets of S\$2.9 million for acquisitions of two product lines, which contributed to the increased revenue in FY2017 and an increase in investment in associated company, EG Industries Berhad, of S\$0.6 million arising from the share of profit and other comprehensive income from the latter, offset by a decrease in property, plant and equipment of S\$1.5 million in relation to depreciation for FY2017.

The Group's current liabilities increased by approximately S\$19.7 million or 76.5% from S\$25.7 million in FY2016 to S\$45.5 million in FY2017. The increase was due to higher trade and other payables and the inclusion of the current portion of the Group borrowing from Accrelist Ltd. Trade & other payables increased by S\$8.7 million as a result of increased sales and inventories of S\$7.7 million in FY2017.

The Group's borrowings amounted to S\$22.0 million in FY2017 agreement as compared to S\$0.3 million in FY2016 due to the convertible loan agreement signed between the Group and Accrelist Ltd. for US\$8.0 million (S\$10.8 million). This was in settlement of amounts owing by the Electronic Components Distribution segment to Accrelist Ltd.

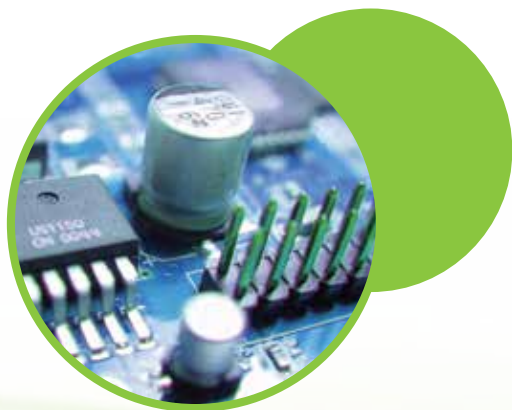
As at 31 March 2017, the Group reported net current assets of S\$10.9 million as compared to S\$7.9 million in FY2016. The increase was from trade and other receivables of S\$4.6 million, inventories of S\$7.7 million and cash and cash equivalent of S\$10.2 million.

Cash Flows Statement

Net cash provided by operating activities for FY2017 was S\$8.4 million, comprising operating loss before working capital changes of S\$4.6 million and a working capital inflow of S\$13.1 million. The working capital inflow was mainly due to the increase in trade and other payables of S\$24.7 million being offset mainly by the increase in trade and other receivables of S\$4.6 million and the increase in inventories of S\$7.7 million.

Net cash used in investing activities was mainly due to acquisition of intangible assets and additional property, plant and equipment totaling to approximately S\$0.8 million.

The cash provided by financing activities of S\$0.9 million was mainly due to convertible loan obtained from Accrelist Ltd. This loan was used to support the Electronic Components Distribution business. The proceeds from this loan were offsetted by the increase in short term bank deposits pledged of S\$1.7 million.



Board of Directors



MR TERENCE TEA YEOK KIAN, 49

Non-Executive Chairman

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: 29 July 2016

Length of service: 2 years 9 months
(as at 31 March 2017)

Served on the following Board Committee:

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

Present Directorships in other listed companies

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

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

Present Principal Commitments

Executive Chairman and Managing Director - Accrelist Ltd.

Directorships in other listed companies held over the preceding three years

Nil

Background and experience: (a paragraph summary)

Mr Terence Tea Yeok Kian ("Mr Tea") is responsible for the strategic positioning, business expansion planning and development of the Group. He is responsible for strategizing businesses, building and establishing right platforms on organizational levels for various core businesses and lead corporations to successful acquisitions and reverse acquisitions thus revolving companies to greater heights. Mr Tea was known for his name when he kicked off with an impact founding a PCB testing company and eventually listed up in the SESDAQ board in 2004. He brought the company to a whole new level in a very short period of time where it was soon being uplifted to become one of the main board listing in 2007. Mr Tea is also an honorary patron of the Singapore Productivity Association and Sembawang Citizen's Consultative Committee, a member of River Valley School Advisory Committee, 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 TOP Entrepreneur 2015 of the Small Medium Business Association in Singapore.

Board of Directors



MR CHEONG KENG CHUAN, ALFRED, 48

Independent Non-Executive 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: 29 July 2016 (To be re-elected at the forthcoming AGM to be held on 28 July 2017)

Length of service: 9 months
(as at 31 March 2017)

Served on the following Board Committee:

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

Present Directorships in other listed companies
Director - China Flexible Packaging Holdings Limited
Director - Debao Property Development Ltd
Director - China Hongxing Sports Limited
Director - C&G Environmental Protection Holdings Limited

Present Principal Commitments
Deputy Managing Partner - Crowe Horwath First Trust LLP

Directorships in other listed companies held over the preceding three years
Sinotel Technologies Ltd

Background and experience:

(a paragraph summary)

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

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



MR NG SIEW HOONG, 46

Independent Non-Executive Director

Academic and professional qualifications:

University of London with a Bachelor of Laws (Hons.) Degree
Member of the Singapore Academy of Law and Law Society of Singapore.
Barrister from Middle Temple, UK

Date of first appointment as director: 5 August 2016

Date of last re-election as director: To be re-elected at the forthcoming AGM to be held on 28 July 2017

Length of service: 7 months
(as at 31 March 2017)

Served on the following Board Committee:

- 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 three years
Advance SCT Limited

Background and experience:

(a paragraph summary)

Mr Ng Siew Hoong ("Mr Ng") is currently a Corporate Partner in the Corporate and Commercial Practice in Donaldson & Burkinshaw LLP. His areas of practice include mergers and acquisitions, corporate finance and governance, regulatory compliance, employment, immigration, dispute resolutions and arbitration. In addition to his debt financing expertise, Mr Ng also advises on the various aspects of equity financing in the capital markets including reverse takeovers of listed companies in the local stock exchange, convertible bonds and notes issues, private equity and fund management advisory work. For cross-border transactions, he is actively involved in advisory work in connection with on-shore and off-shore investments by Singapore and foreign corporations in emerging economies in the ASEAN region, and was invited to conduct talks and seminar in international conferences on these subjects.

Corporate Management

Mr Lim Kok Tiong, Laurence

Chief Operating Officer

Mr Lim Kok Tiong, Laurence ("Mr Lim") joined the Group on 1st March 2017 as Chief Operating Officer. He has over 20 years of experience in the plastic moulding and injection manufacturing industry and had held several key executive positions in his previous roles. Mr Lim assumes the overall responsibility for the Group's growth, management, productivity and profitability for the group operations.

He spearheads group goals strategies and performances targets to ensure set objectives are actualised. Prior to joining Jubilee, Mr Lim was the Executive Vice President of Meiban Corporation Pte. Ltd where he oversees the manufacturing operations, capacity planning, order fulfilment, resource planning and allocation.

Mr Lim holds a MBA specialising in Strategic Management from Nanyang Technologies University, a Bachelor Degree in Mechanical Engineering (Hons) from Nanyang Technological University and a Diploma in Mechanical Engineering from Singapore Polytechnic

Ms Sng Ee Lian

Group Financial Controller

Ms Sng Ee Lian ("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 16 years of work experience in finance and public accounting, administration and costing in electronics contracts manufacturing and wholesale electronics distribution industries. She has been the Group Finance Manager of the Plexus Group since 2005. Prior to joining the Plexus Group, Ms Sng was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on the National Association of Securities and Dealers Automated Quotation (NASDAQ). Ms Sng holds a Bachelor of Accountancy from Bentley College, USA and LLB from University of London.

Mr Kwek Swee Leng Jonathan

General Manager

Mr Kwek Swee Leng Jonathan ("Mr Kwek") joined the Company in June 2013 as the General Manager. He is responsible for implementing strategic goals and subsequently, providing the directions and leaderships necessary to achieve them.

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

Mr Kim Jin Geon, Rex

Director, Sales & Marketing

Mr Kim Jin Geon, Rex ("Mr Kim") is the Director of Sales & Marketing heading the Sales and Marketing team of WE Components Pte. Ltd. He had joined WE Components Pte. Ltd. in January 2016 as a product manager and had been promoted to the Director of Sales and Marketing in July 2016. He is responsible for the sales and marketing management in Singapore as well as overseas offices. Prior to joining WE Components Pte. Ltd., Mr Kim has 10 years of experience in this industry.

He holds a Bachelor Degree in Business Administration from Kyongju University, Korea.

Mr Lek Suay Tee

Vice President

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

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

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

Corporate Directory

SINGAPORE

Jubilee Industries Holdings Ltd. (Head Office)

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Ubi Techpark Lobby E
Singapore 408564
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E'mold Holding Pte. Ltd.

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WE Components Pte. Ltd.

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Email: SGP.sales@weh.sg

WE Microelectronics Pte. Ltd.

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Email: SGP.sales@weh.sg

MALAYSIA

JOHOR

Jubilee Manufacturing Sdn. Bhd.

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Malaysia
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Fax: (607) 863 2750

PENANG

WE Components (Penang) Sdn. Bhd.

62-1 Persiaran Bayan Indah Bayan Bay
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Fax: (604) 646 9298

PEOPLE'S REPUBLIC OF CHINA

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Fax: (86) 7558 299 7055
Email: CHN.sales@weh.sg

SHENZHEN

WE Components (Shenzhen) Co. Ltd.

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South No 1 Road, High-Tech Industrial
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Corporate Governance Report

INTRODUCTION

The board of Directors (“Board”) and the Management of Jubilee Industries Holdings Ltd. (the “Company”) are committed to achieving a high standard of corporate governance within the Company and its subsidiary corporations (the “Group”). Underlying this commitment is the belief that good corporate governance will help to enhance corporate performance and protect the interest of the Company’s shareholders (the “Shareholders”). In this respect, the Company adopts the practices based on the Singapore Code of Corporate Governance 2012 (the “Code”).

This report outlines the Company’s corporate governance practices for the financial year ended 31 March 2017 (“FY2017”) with specific reference to the Code. For easy reference, sections of the Code under discussion are specifically identified. However, this report should be read as a whole as other sections of this report may also have an impact on the specific disclosures. The Company has complied with the principles of the Code where appropriate.

BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

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

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

- approval of the Group’s strategic objectives;
- 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 issuances 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-yearly/full year’s results announcements; annual reports and financial statements, 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;
- determine the remuneration policy for the Directors, and other senior executives including the introduction of new share incentive plans or major changes to existing plans, to be put to shareholders for approval;
- any decision likely to have a material impact on the Company or Group from any perspective, including, but not limited to, financial, operational, strategic or reputational.

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

- corporate strategy and business plans;
- investment and divestment proposals;

Corporate Governance Report

- 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; and
- interested person transactions.

For the effective execution of responsibilities, 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 and make decisions objectively in the best interests of the Group.

The members of the Board and their membership on the Board Committees of the Company in FY2017 are as follows:-

	Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
1	Mr Pao Kiew Tee ⁽¹⁾	Independent Director	Chairman – up to 5 August 2016	–	Member – up to 5 August 2016
2	Mr Terence Tea Yeok Kian	Non-Executive Chairman	Member	Member	Member
3	Mr Cheong Keng Chuan Alfred ⁽²⁾	Independent Director	Chairman	Member	Chairman
4	Mr Ng Siew Hoong ⁽³⁾	Independent Director	Member	Chairman	Member

(1) Mr Pao Kiew Tee resigned as an Independent Director of the Company on 5 August 2016

(2) Mr Cheong Keng Chuan Alfred was appointed as an Independent Director of the Company with effect from 23 June 2016

(3) Mr Ng Siew Hoong was appointed as an Independent Director of the Company with effect from 5 August 2016

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

	Directors	Board Membership	Audit Committee	Nominating Committee	Remuneration Committee
1	Mr Terence Tea Yeok Kian	Non-Executive Chairman	Member	Member	Member
2	Mr Cheong Keng Chuan Alfred ⁽¹⁾	Independent Director	Chairman	Member	Chairman
3	Mr Ng Siew Hoong ⁽²⁾	Independent Director	Member	Chairman	Member

(1) Mr Cheong Keng Chuan Alfred was appointed as an Independent Director of the Company with effect from 23 June 2016

(2) Mr Ng Siew Hoong was appointed as an Independent Director of the Company with effect from 5 August 2016

Corporate Governance Report

Board meetings are held on a regular basis to oversee the business affairs of the Group and approve any financial or business strategies or objectives. Additional Board and Board Committee meetings were held during FY2017 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.

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

Name	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Mr Pao Kiew Tee ⁽¹⁾	4	1	2	0	2	0	2	0
Mr Terence Tea Yeok Kian	4	4	2	2	2	2	2	2
Mr Cheong Keng Chuan Alfred ⁽²⁾	4	3	2	2	2	2	2	2
Mr Ng Siew Hoong ⁽³⁾	4	2	2	2	2	2	2	2

- (1) Mr Pao Kiew Tee resigned as an Independent Director of the Company and ceased to be the Chairman of the Audit Committee and a member of the Remuneration Committee on 5 August 2016
- (2) Mr Cheong Keng Chuan Alfred was appointed as an Independent Director of the Company and the Chairman of Audit and Remuneration Committees and a member of Remuneration Committee with effect from 23 June 2016
- (3) Mr Ng Siew Hoong was appointed as an Independent Director of the Company and the Chairman of Nominating Committee and a member of Audit and Remuneration Committees with effect from 5 August 2016

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

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

During FY2017, the Directors had attended relevant courses and received updates on regulatory changes to the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "Catalist Rules") and changes to the accounting standards relevant to the Group.

Briefings and updates provided to the Directors in FY2017 included:

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

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

Newly appointed directors will also be provided with a formal letter setting out their duties and obligations.

Corporate Governance Report

Principle 2: Board Composition and Guidance

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

Mr Terence Tea Yeok Kian	Non-Executive Chairman
Mr Cheong Keng Chuan Alfred	Independent Director
Mr Ng Siew Hoong	Independent Director

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

The NC has reviewed the forms completed by each Director and confirmed that more than half of the Board comprised of Independent Directors. The Company is in compliance with Guideline 2.2 of the Code where the Independent Directors should make up at least half of the Board where the Chairman of the Board is not an Independent Director.

The Board and its Board Committees comprise 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, business experience, and industry knowledge. At Board and Board Committee meetings, 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 Independent Directors may meet without the presence of Management.

The Board noted that gender diversity on the Board of Directors 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.

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

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

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

Principle 3: Chairman and Chief Executive Officer

As at the date of this report, the Non-Executive Chairman of the Company is Mr Terence Tea Yeok Kian. Currently, the Company does not have a Chief Executive Officer as the Company is in the process of filling up the vacancy of Chief Executive Officer.

The Chairman's responsibilities include:

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

Corporate Governance Report

Although there is no Chief Executive Officer, the Company currently has Chief Operating Officer to oversee and support the business operations on a day-to-day basis. Lim Kok Tiong, Laurence is the Chief Operating Officer who was appointed with effect from 1 March 2017. He has over 20 years of experience within the plastic moulding and injection manufacturing industries. He also held several key executive positions and plays an instrumental role in developing the Group's precision plastic injection mould design and fabrication businesses. Besides overseeing the day-to-day manufacturing operations, he manages capacity planning, order fulfillment, resources allocation and spearhead the Group's goals, strategies and performances targets to ensure set objectives are actualised.

Pursuant to Guideline 3.3 of the Code, as the Chairman of the Company, Mr Terence Tea Yeok Kian is not an Independent Director, the Company should appoint a lead independent director. The Board has deliberated and agreed that given the Company's current size and operations, there is currently no necessity to appoint a lead independent director. The Board is of the view that the current Independent Directors would be able to perform the same functions as the lead independent director. The Independent Directors are available to shareholders where they have concerns and for which contact through the normal channels of the Group Financial Controller ("GFC") has failed to resolve or is inappropriate. Nevertheless, the Board would review the need to appoint the lead independent director from time to time.

The Independent Directors are encouraged to meet periodically without the presence of the other Directors and provide feedback to the Non-Executive Chairman after such meetings.

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 are independent directors. In accordance with the requirements of the Code, the Chairman of the NC is an Independent Director. The members of the NC are:-

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

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

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

Corporate Governance Report

- (viii) reviewing and making recommendations to the Board on relevant matters relating to the succession plans of the Board (in particular, the Chairman/CEO) and Senior Management Personnel; and
- (ix) reviewing training and professional development programmes for the Board.

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

None of the Directors is appointed for a fixed term. Pursuant to the Company's Constitution, all Directors must submit themselves for re-election at the Annual General Meeting ("AGM") at least once every three years and all Directors appointed during the financial year shall retire at the next AGM. Retiring Directors are eligible for re-election. Pursuant to Regulation 85 of the Company's Constitution, a Managing Director shall not be subjected to retirement by rotation and shall not be taken into account in determining the rotation while he continues to hold that position of retirement of Directors. 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 Ng Siew Hoong ("Mr Ng") and Mr Cheong Keng Chuan Alfred ("Mr Cheong") who would be retiring pursuant to Regulation 88 and Regulation 89 of the Company's Constitution respectively for re-election at the forthcoming Annual General Meeting ("AGM") to be held on 28 July 2017. In making the recommendations, the NC had considered the Directors' overall contribution and performance. The recommendations of the aforesaid nominations have been accepted by the Board. Mr Ng will, upon re-election as a Director, remain as Chairman of Nominating Committee and a member of Audit and Remuneration Committees; Mr Cheong, will upon re-election as a Director, remain as Chairman of Audit and Remuneration Committees and member of Nominating Committee.

Mr Ng and Mr Cheong will be considered independent for the purposes of Rule 704(7) of the Catalist Rules of the SGX-ST.

Mr Ng and Mr Cheong had abstained from making any recommendation and/or participating in any deliberation of the NC in respect of the assessment of their own performance or 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 circumstances set forth in Guidelines 2.3 and 2.4 of the Code and any other salient factors. The Independent Directors, namely Mr Ng and Mr Cheong, have confirmed that they do not have any relationship with the Company, its related companies, its 10.0% 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/her 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 last year, 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 three years' directorships in other listed companies and principal commitments are set out on pages 9 to 10 and below:

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	Current
Terence Tea Yeok Kian	Non-Executive Chairman	30 June 2014	29 July 2016	Accrelist Ltd. (F.K.A. WE Holdings Ltd.) EG Industries Bhd	Nil	Accrelist Ltd. (F.K.A. WE Holdings Ltd.) WE Crowdfunding Pte. Ltd. WE Systems Pte. Ltd. WE Pay Pte. Ltd. WE Dragon Resources Pte. Ltd. WE Resources Pte. Ltd.
Cheong Keng Chuan Alfred	Independent Director	23 June 2016	29 July 2016 (To be re-elected at the forthcoming AGM)	China Flexible Packaging Holdings Limited Debao Property Development Ltd China Hongxing Sports Limited C&G Environmental Protection Holdings Limited	Sinotel Technologies Ltd	Deputy Managing Partner, Crowe Horwath First Trust
Ng Siew Hoong	Independent Director	5 August 2016	To be re-elected at the forthcoming AGM	–	Advance SCT Limited	Partner, Donaldson & Burkinshaw LLP

The Board has implemented a collective questionnaire assessment process for assessing its effectiveness as a whole. Each Director was requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with key management personnel and Directors' standard of conduct. The results of the evaluation are used constructively by the NC to identify areas of improvements and recommend to the Board the appropriate action. No external facilitator has been used for the purpose of the Board's assessment in FY2017.

Corporate Governance Report

In view of the current size of the Board and that all Directors are members of the Board Committees, the assessment of the Board Committees was taken into consideration when assessing the Board as a whole. The Directors will not be assessed individually. In assessing individual Director's contribution and performance in considering the re-election of any Director, the NC considers but not limited to the attendance and participation during Board and Board Committee 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 act on the results of the performance evaluation, and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

Principle 6: Access to Information

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

In exercising its duties, the Board has unrestricted access to the Company's Management, Company Secretaries and the independent auditor. The Company Secretaries attend all Board meetings and ensure that all Board procedures are followed. The Company Secretaries also ensure that the Company complies with the requirements of the Companies Act Chapter 50 of Singapore (the "Companies Act") and the Catalist Rules. Under the Constitution of the Company, the appointment and the removal of the Company Secretaries are subject to the approval of the Board.

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

Remuneration Committee

Principle 7: Procedures for Developing Remuneration Policies

Principle 8: Level and Mix of Remuneration

Principle 9: Disclosure on Remuneration

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

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

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

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

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

Corporate Governance Report

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors. No remuneration consultants were engaged by the Company during FY2017.

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

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

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

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

For confidentiality reasons and prevention of prejudice to the Group's business, the Board has deviated from complying with the above recommendation and provides herein below a breakdown, showing the level and mix of each Director's remuneration in bands of \$250,000 for FY2017:-

Name of Director	Remuneration Band	Salary	Bonus	Fringe Benefits	Director's fees ⁽¹⁾	Total remuneration
	%	%	%	%	%	%
Terence Tea Yeok Kian	\$250,000 to \$500,000	0	0	0	100	100
Pao Kiew Tee ⁽²⁾	Less than \$250,000	0	0	0	100	100
Cheong Keng Chuan Alfred	Less than \$250,000	0	0	0	100	100
Ng Siew Hoong	Less than \$250,000	0	0	0	100	100

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

⁽²⁾ Resigned on 5 August 2016

Key Management Personnel

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

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

For confidentiality reason and prevention of prejudice to the Group's business, the Board has deviated from complying with the above recommendation. The Company only partially complies with the above recommendation by providing below a breakdown, showing the level and mix of each of the Key Management Personnel's remuneration (who are not Directors or the CEO) in bands of \$250,000 for FY2017:-

Corporate Governance Report

Name of Key Management Personnel	Remuneration Band	Salary	Bonus	Fringe benefits	Total remuneration
	%	%	%	%	%
Sng Ee Lian ⁽¹⁾	Less than \$250,000	98	0	2	100
Loh Eng Lock Kelvin ⁽²⁾	Less than \$250,000	88	0	12	100
Lek Suay Tee	Less than \$250,000	94	0	6	100
Kim Jin Geon Rex	Less than \$250,000	74	0	26	100
Kwek Swee Leng Jonathan	Less than \$250,000	77	0	23	100
Serene Tea Lay Sin	Less than \$250,000	86	0	14	100

(1) Date of appointment: 18 November 2016

(2) Date of cessation: 18 November 2016

Ms Serene Tea Lay Sin, sister of Mr Terence Tea Yeok Kian, Non-Executive Chairman of the Board of Directors, is an employee of the Company, whose remuneration exceeded S\$50,000 during FY2017. Her remuneration was in the band of S\$50,000 to S\$100,000.

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

The Company has a share award scheme known as the "Jubilee Share Award Scheme". During FY2017, a total of 1,721,148 share awards were granted by the Company. Information on the Jubilee Share Award Scheme is set out in the Directors' Statement and the announcement on SGXNET dated 20 January 2017.

The remuneration packages of Executive Director and the compensation structure of the Key Management Personnel comprise 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.

Principle 10: Accountability

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

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

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

In compliance with the Catalist Rules, the Board provides a negative assurance statement to the Shareholders in its half-yearly financial statements announcements, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect. All the Directors and Key Management Personnel of the Group also signed a letter of undertaking pursuant to Rule 720(1) of the Catalist Rules.

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

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

Principle 11: Risk Management and Internal Controls

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

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

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

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

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

Based on the work performed by the internal auditors during the financial year and the assurance from Management, the Board is of the opinion that the system of internal controls and risk management in place as at 31 March 2017 is adequate and effective to address the financial, operational, compliance and information technology risks within the current scope of the Group's business operations. The system of internal controls and risk management established by the Group provides reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human errors, losses, fraud or other irregularities.

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 will be 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 at a relevant time.

Corporate Governance Report

Principle 12: Audit Committee

Principle 13: Internal Audit

As at the date of this report, the AC comprises of three members, two of whom (including the Chairman) are independent directors. No former partner or director of the Company's existing auditing firm is a member of the AC. The members of the AC are:-

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

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

- (a) review with the independent/internal auditors the audit plans, their evaluation of the system of internal accounting controls, and their audit report including the scope and results of the external/internal audit, the independence and objectivity of the independent/internal auditors;
- (b) review the financial statements and statement of financial position and comprehensive income including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance, before submission to the Board for approval;
- (c) review the internal control procedures, its scope and the results and to ensure co-ordination between the 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 interim and final audits;
- (d) review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls;
- (e) review the effectiveness of the Company's internal audit function;
- (f) review and discuss with the 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;
- (g) make recommendation to the Board on the proposals to the Shareholders on the appointment, re-appointment and removal of the independent/internal auditors;
- (h) review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- (i) review potential conflicts of interest, if any;
- (j) undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC; and
- (k) generally undertake such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made from time to time.

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

Corporate Governance Report

The AC meets the independent and internal auditors, without the presence of the Management, at least once a year to review the overall scope and results of external audits, and the assistance given by the Management to the auditors. The AC has reasonable resources to enable it to discharge its function properly.

The AC has reviewed the non-audit services in relation to tax 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 Catalyst Rules in relation to its independent auditor. Accordingly, the AC has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as independent auditor 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 controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error, losses, fraud or other irregularities. The annual conduct of audits by the internal auditors assesses the effectiveness of the Group's internal control procedures and provides reasonable assurance to the AC and the Management that the Group's risk management, controls and governance processes are adequate and effective.

The Board is satisfied that the internal audit function has adequate resources to perform its function effectively and is staffed by suitably qualified and experienced professionals with the relevant experience. The 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 internal audit work carried out in FY2017 was guided by the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors.

The Whistle-Blowing Policy which was endorsed by the AC and adopted on 20 May 2011 encourages employees and external parties to raise concerns, in confidence, about possible irregularities in matters of financial reporting or other matters, to the members of the AC. It aims to provide an avenue for employees and external parties to raise concerns and offer reassurances 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 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 half-yearly basis, the AC also 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 our AC is interested in any matter being considered by our 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, the Company Secretaries of changes to accounting standards, Catalyst Rules and other regulations which would have an impact on the Group's business and financial statements.

Corporate Governance Report

Principle 14: Shareholder Rights

Principle 15: Communication with Shareholders

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

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

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

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 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.

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

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

The Chairmen of the Board Committees will be available at the general meetings to answer questions relating to the work of the Board Committees. The independent auditor will also be present to assist the Directors in addressing any relevant queries by Shareholders.

To enhance and encourage communication with Shareholders and investors, the Company provides the contact and 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.

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 and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Corporate Governance Report

Dividend Policy

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

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

The Company does not propose any dividend payment as the Company did not have profits available for distribution for FY2017.

Principle 16: Conduct of Shareholder Meetings

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

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

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

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

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

The Company did not engage a dedicated investor relations team but has personnel to handle investor queries and deal with all matters related to investor relations. The Company will review the need for a dedicated investor relations team.

Corporate Governance Report

Dealings in Securities

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

INTERESTED PERSON TRANSACTIONS

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

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

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

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
Accrelist Ltd. (F.K.A. WE Holdings Ltd.)	S\$2,318,021	–

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 2017 or if not then subsisting, entered into since the end of the previous financial year.

NON-SPONSOR FEES

No non-sponsor fees were paid to the Company's sponsor, RHT Capital Pte. Ltd. in FY2017.

AUDIT/NON-AUDIT FEES

As at 31 March 2017, the Company paid \$154,721.00 to Nexia TS Public Accounting Corporation for its statutory audit services and \$23,918.00 for the non-audit services provided by Nexia TS Tax Services Pte. Ltd. for the financial year under review.

Directors' Statement

The directors present their statement to the members together with the audited consolidated financial statements of the Group for the financial year ended 31 March 2017 and the statement of financial position of the Company as at 31 March 2017.

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 37 to 101 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 2017 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 (appointed on 23 June 2016)
Ng Siew Hoong (appointed on 5 August 2016)

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 31 March 2017	As at 1 April 2016	As at 31 March 2017	As at 1 April 2016
The Company				
<u>(Number of ordinary shares)</u>				
Terence Tea Yeok Kian	–	–	97,354,500	97,354,500

Terence Tea Yeok Kian, who by virtue of his 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 2017 were the same as those as at 31 March 2017.

Directors' Statement

Performance shares

Jubilee Share Award Scheme ("JSAS")

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

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

On 20 January 2017, the Company awarded 1,721,148 shares under JSAS to certain key executives of the Group. The market price at the time of awarding the above shares is S\$0.0252.

No shares have been granted to controlling shareholders of the Company or their associates during the financial year ended 31 March 2017.

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.

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

Audit Committee ("AC")

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

Cheong Keng Chuan Alfred (Chairman) (appointed on 23 June 2016)

Ng Siew Hoong (appointed on 5 August 2016)

Terence Tea Yeok Kian

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

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

- Reviewing the scope and the results of audit undertaken by the independent auditor to ensure that there is a balance between maintenance of their objectivity and cost effectiveness;
- Reviewing the 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;

Directors' Statement

Audit Committee ("AC") (continued)

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

- 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

7 July 2017

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 2017, 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, as set out on pages 37 to 101.

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 Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") 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 2017 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 2017. 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.

Convertible loan

Refer to Note 2.13(b) and Note 24

On 7 October 2016, the Company entered into a convertible loan agreement (the "Agreement") with a related party for a loan amount of S\$10,821,000 which is convertible into such number of new ordinary shares in the capital of the Company, subject to the terms and conditions of the Agreement.

We have identified the accounting treatment for convertible loan and its valuation as key audit matters because the separation of the liability element from the equity element of a convertible loan would involve a significant degree of judgment and the determination of the fair value for the convertible loan involves significant degree of estimation uncertainty in assessing the appropriateness of valuation methodology to be applied and the underlying assumptions to be applied.

The Company has engaged an independent valuer to determine the valuation of the convertible loan. The liability component of the convertible loan amounting to S\$10,660,000 and the equity component of the convertible loan amounting to S\$161,000 respectively have been determined by the independent valuer at the inception date and end of reporting date.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

Key Audit Matters (continued)

Convertible loan (continued)

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- Inspected Board minutes and other appropriate documentation of authorisation to assess whether the transaction was appropriately authorised.
- Verified amounts, interest rate and maturity date to the supporting documentation and debt agreement and examined terms and conditions of the loan.
- Reviewed the engagement terms entered into with the independent valuer to ascertain if there were any matters that may have affected the valuer's objectivity or placed limitations in the scope of their work.
- Evaluated the qualifications and competence of the valuer.
- Considered the valuation methodology and assessed the key assumptions and estimates, including the discount rate that were applied to the valuation.
- Considered the extent of disclosure required with regard to nature and valuation of the financial assets in the financial statements.

Revenue recognition

Refer to Note 2.2 and Note 4

The Group's revenue is primarily generated from sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group has delivered the products to the customer, customer has accepted the products and the collectability of the related receivables is reasonably assured, and provision of design, fabrication and sale of precision plastic injection moulds which is recognised as work progresses and approved by customer. During the financial year ended 31 March 2017, the Group recognised revenue of S\$108,758,000. 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. In addition, there is inherent risk that revenue could be misstated and recorded in the incorrect accounting period.

How our audit addressed the area of focus

In obtaining sufficient audit evidence, the following procedures have been performed:

- 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 to ascertain the reliabilities of the internal controls in place in the sales cycles.
- Performed test of details and sales cut-off tests to ascertain that the 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.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

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.

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 FRSs, 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.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

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

- 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.

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.

Independent Auditor's Report

To the Members of Jubilee Industries Holdings Ltd.

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 Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
7 July 2017

Consolidated Statement of **Comprehensive Income**

For the financial year ended 31 March 2017

	Note	Group	
		2017	2016
		S\$'000	S\$'000
Revenue	4	108,758	84,592
Cost of sales		(105,044)	(81,134)
Gross profit		3,714	3,458
Other income	5	433	468
Other losses - net	6	(1,448)	(15,033)
Expenses			
- Distribution and marketing		(1,294)	(1,125)
- Administrative		(9,378)	(11,200)
- Finance	9	(383)	(338)
Share of profit of associated company	19	874	1,953
Loss before income tax		(7,482)	(21,817)
Income tax expense	10(a)	*	(407)
Net loss attributable to equity holders of the Company		(7,482)	(22,224)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
- Share of other comprehensive income of associated company	19	568	1,076
- Currency translation differences arising from consolidation - gains	30(b)(i)	287	984
Other comprehensive income, net of tax		855	2,060
Total comprehensive loss attributable to equity holders of the Company		(6,627)	(20,164)
Loss per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	(2.25)	(6.46)

*Amount less than S\$1,000

The accompanying notes are an integral part of these financial statements

Statements of Financial Position

As at 31 March 2017

	Note	Group		Company	
		2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
ASSETS					
Current assets					
Cash and cash equivalents	12	11,333	1,092	9	15
Financial assets, at fair value through profit or loss	13	33	33	–	–
Trade and other receivables	14	22,400	17,812	22,154	546
Inventories	15	14,625	6,950	–	–
Other current assets	16	633	523	21	20
		<u>49,024</u>	<u>26,410</u>	<u>22,184</u>	<u>581</u>
Non-current assets classified as held-for-sale	17	7,300	7,300	–	–
		<u>56,324</u>	<u>33,710</u>	<u>22,184</u>	<u>581</u>
Non-current assets					
Investments in subsidiary corporations	18	–	–	17,461	35,697
Investment in associated company	19	8,477	7,847	9,722	9,722
Property, plant and equipment	20	1,589	3,125	–	–
Intangible assets	21	3,257	346	84	135
		<u>13,323</u>	<u>11,318</u>	<u>27,267</u>	<u>45,554</u>
Total assets		<u>69,647</u>	<u>45,028</u>	<u>49,451</u>	<u>46,135</u>
LIABILITIES					
Current liabilities					
Trade and other payables	22	34,055	25,350	14,736	13,789
Current income tax liabilities	10(b)	18	101	–	–
Borrowings	23	10,664	294	10,660	–
Provision	26	713	–	–	–
		<u>45,450</u>	<u>25,745</u>	<u>25,396</u>	<u>13,789</u>
Non-current liabilities					
Borrowings	23	11,363	26	11,363	–
Total liabilities		<u>56,813</u>	<u>25,771</u>	<u>36,759</u>	<u>13,789</u>
NET ASSETS		<u>12,834</u>	<u>19,257</u>	<u>12,692</u>	<u>32,346</u>
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	27	48,975	48,932	48,975	48,932
Treasury shares	27	(736)	(736)	(736)	(736)
Statutory reserve	28	2,257	2,257	–	–
Capital reserve	29	(142)	(142)	(142)	(142)
Other reserves	30	1,632	616	161	–
Accumulated losses	31	(39,152)	(31,670)	(35,566)	(15,708)
TOTAL EQUITY		<u>12,834</u>	<u>19,257</u>	<u>12,692</u>	<u>32,346</u>

The accompanying notes are an integral part of these financial statements

Consolidated Statements of **Changes in Equity**

For the financial period ended 31 March 2017

← Attributable to equity holders of the Company →

	Share capital S\$'000	Treasury shares S\$'000	Accumulated losses S\$'000	Other reserves S\$'000	Statutory reserve S\$'000	Capital reserve S\$'000	Total S\$'000
2017							
Beginning of financial year	48,932	(736)	(31,670)	616	2,257	(142)	19,257
Total comprehensive (loss)/ income for the financial year	–	–	(7,482)	855	–	–	(6,627)
Convertible loan - equity component	–	–	–	161	–	–	161
Issuance of new ordinary shares	43	–	–	–	–	–	43
End of financial year	48,975	(736)	(39,152)	1,632	2,257	(142)	12,834
2016							
Beginning of financial year	48,763	(736)	(9,446)	(1,444)	2,257	(142)	39,252
Total comprehensive (loss)/ income for the financial year	–	–	(22,224)	2,060	–	–	(20,164)
Issuance of new ordinary shares	169	–	–	–	–	–	169
End of financial year	48,932	(736)	(31,670)	616	2,257	(142)	19,257

Treasury shares, 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 2017

		Group	
	Note	2017 S\$'000	2016 S\$'000
Cash flows from operating activities			
Net loss		(7,482)	(22,224)
Adjustment for:			
- Income tax expense	10(a)	*	407
- Amortisation, impairment and depreciation	7	2,103	4,034
- Loss/(gain) on disposal of property, plant and equipment	6	14	(439)
- Loss on disposal of an investment property	6	–	151
- Share of profit of associated company	19	(874)	(1,953)
- Loss on dilution of investment in associated company	6	–	13,611
- Employee share award expense	8	43	169
- Interest income – bank deposits	5	(21)	(27)
- Interest expense	9	383	338
- Unrealised currency translation losses		1,233	1,457
		(4,601)	(4,476)
Changes in working capital:			
- Trade and other receivables		(4,588)	(14,382)
- Inventories		(7,675)	2,805
- Other current assets		(110)	(219)
- Trade and other payables		24,741	13,538
- Provision for restructuring		713	–
Cash generated from/(used in) operations		8,480	(2,734)
Income tax paid	10(b)	(81)	(285)
Net cash provided by/(used in) operating activities		8,399	(3,019)
Cash flows from investing activities			
Additions to intangible assets		(523)	(57)
Additions to investment in associated company	19	–	(766)
Additions to property, plant and equipment	20	(248)	(262)
Proceeds from disposal of an investment property		–	1,753
Proceeds from disposal of property, plant and equipment		2	292
Interest received		21	27
Net cash (used in)/provided by investing activities		(748)	987

*Amount less than S\$1,000

The accompanying notes are an integral part of these financial statements

Consolidated Statement of Cash Flows

For the financial year ended 31 March 2017

	Note	Group	
		2017 S\$'000	2016 S\$'000
Cash flows from financing activities			
Loan from a related party		3,123	–
Repayment of borrowings		(258)	(458)
Repayment of finance lease liabilities		(46)	(58)
Interest paid		(184)	(338)
Short-term bank deposits pledged		(1,749)	–
Net cash provided by/(used in) financing activities		<u>886</u>	<u>(854)</u>
Net increase/(decrease) in cash and cash equivalents		8,537	(2,886)
Cash and cash equivalents			
Beginning of financial year		887	3,851
Effect of currency translation on cash and cash equivalents		(45)	(78)
End of financial year	12	<u><u>9,379</u></u>	<u><u>887</u></u>

The accompanying notes are an integral part of these financial statements

Notes to the Financial Statements

For the financial year ended 31 March 2017

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

The financial statements of the Company for the financial year ended 31 March 2017 were authorised for issue in accordance with resolution of the directors on 7 July 2017.

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.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

Going concern assumptions

The Group and the Company incurred a net loss of S\$7,482,000 and S\$19,858,000 (2016: S\$22,224,000 and S\$5,514,000) respectively for the financial year ended 31 March 2017. This indicates the existence of uncertainty that may cast significant doubt on the Group's and the Company's abilities to continue as a going concern and discharge its liabilities in the ordinary course of business. Nevertheless, the directors believe that the use of the going concern assumption in the preparation of the financial statements for the financial year ended 31 March 2017 is appropriate after taking into consideration the following factors:

- Management has put in efforts in improving its profit margin by revising selling prices as well as securing new customers as evidenced by higher revenue generated and reduction in net loss.
- There is continuing financial support provided by a substantial shareholder, Accrelist Ltd. which has extended a total loan amount of US\$16 million (equivalent to S\$22.0 million) to the Group and the Company for working capital purposes. In addition, part of the loan amounting to US\$8 million (equivalent to S\$10.8 million) will be converted into ordinary shares of the Company.
- Management will explore options to divest the loss-making subsidiary corporations or to reduce their operating costs.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies

2.1 Basis of preparation (continued)

Going concern assumptions (continued)

In the event that the Group and the Company are unable to continue in operational existence for the foreseeable future, the Group and the Company may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Group and the Company may have to reclassify non-current assets and non-current liabilities to current assets and current liabilities respectively. The financial statements do not include any adjustments which may arise from these uncertainties.

Interpretations and amendments to published standards effective in 2017

On 1 April 2016, the Group adopted the new or amended FRS and Interpretations of FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

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

2.2 Revenue recognition

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

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

(a) *Sale of goods*

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition

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

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

(c) *Commission income*

Commission income is recognised when services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

2.3 Government grants

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

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

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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(a) *Subsidiary Corporations (continued)*

(ii) *Acquisitions*

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

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

Acquisition-related costs are expensed as incurred.

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

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

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

(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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

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

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

(i) *Acquisitions*

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

(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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(c) *Associated company (continued)*

(iii) *Disposals*

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

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

2.5 Property, plant and equipment

(a) *Measurement*

(i) *Property, plant and equipment*

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

(ii) *Components of costs*

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

(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:

Useful Lives

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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(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 losses – net".

2.6 Intangible assets

(a) *Goodwill on acquisitions*

Goodwill on acquisitions of subsidiary corporations and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiary corporations is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisition of associated company represents the excess of the cost of the acquisition over the share of the fair value of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated company is included in the carrying amount of the investments.

Gain and losses on the disposal of subsidiary corporations and associated company include the carrying amount of goodwill relating to the entity sold.

(b) *Acquired computer software licenses*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(c) *Distribution rights*

Distribution rights acquired are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These cost are amortised to profit or loss using the straight-line method over 2-4 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

(a) *Goodwill*

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

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

- (b) *Property, plant and equipment*
Intangible assets
Investments in subsidiary corporations and associated company

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

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

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

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

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of 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*

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification (continued)*

(ii) *Loans and receivables*

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

(b) *Recognition and derecognition*

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

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

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

(c) *Initial measurement*

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

(d) *Subsequent measurement*

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

(e) *Impairment*

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

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

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

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

2.11 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.

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.

Intra-group transactions are eliminated on consolidation.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

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.

(a) Borrowings

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.

(b) Convertible loan

The total proceeds from convertible loan issued is allocated to the liability component and the equity component, which are separately presented on the statements of financial position.

The liability component is recognised initially at its fair value, determined using a market interest rate for equivalent non-convertible loan. It is subsequently carried at amortised cost using the effective interest method until the liability is extinguished on conversion or redemption of the loan.

The difference between the total proceeds and the liability component is allocated to the conversion option (equity component), which is presented in equity net of any deferred tax effect. The carrying amount of the conversion option is not adjusted in subsequent periods. When the conversion option is exercised, its carrying amount is transferred to the share capital. When the conversion option lapses, its carrying amount is transferred to retained profits.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.16 Leases

When the Group is the lessee:

The Group leases certain motor vehicles under finance leases and offices, warehouses and worksite premises under operating leases from non-related parties.

(a) *Lessee - Finance leases*

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

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

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

(b) *Lessee - Operating leases*

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

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

2.17 Inventories

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

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.

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.

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 credit 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 2017

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) *Pension benefits*

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

(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 share awards is recognised as an expense in the financial year that the share awards are granted. The total amount to be recognised is determined by reference to the fair value of the share awards granted on the date of the grant.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.21 Currency translation (continued)

(b) Transactions and balances (continued)

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

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

(c) Translation of Group entities' financial statements

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

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

2.22 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.

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. 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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

2 Summary of significant accounting policies (continued)

2.24 Share capital and treasury shares (continued)

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.

2.25 Non-current assets held-for-sale

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

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

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

3 Critical accounting estimates, assumptions and judgements

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

(a) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment at least annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgements as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in. Where there is objective evidence of impairment, management makes judgments as to whether an impairment loss should be recognised in profit or loss. The carrying amount of the Group's and the Company's loans and receivables at the reporting date are S\$33,125,000 and S\$22,166,000 (2016: S\$18,756,000 and S\$561,000) respectively.

If the net present values of estimated cash flows had been higher or lower by 10% from management's estimates for all past due but not impaired loans and receivables, the allowance for impairment of the Group would have been higher by S\$521,000 (2016: S\$821,000).

Notes to the Financial Statements

For the financial year ended 31 March 2017

3 Critical accounting estimates, assumptions and judgements (continued)

(b) *Uncertain tax positions*

The Group is subject to income taxes in numerous jurisdictions. In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses ("uncertain tax positions") at each tax jurisdiction. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred income tax provisions in the financial period in which such determination is made. The carrying amounts of the Group's and the Company's current income tax liabilities at reporting date are S\$18,000 and Nil (2016: S\$101,000 and Nil) respectively.

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. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

The Group has tax losses and capital allowances carried forward amounting to S\$21,528,000 (2016: S\$16,370,000) and S\$3,851,000 (2016: S\$3,874,000) respectively at the reporting date. These losses and capital allowances relate to subsidiary corporations that have a history of losses and may not be used to offset taxable income elsewhere in the Group. The subsidiary corporations have neither temporary taxable differences nor any tax planning opportunities available that could support the recognition of any of these losses and capital allowances as deferred tax assets. If the Group was able to recognise all unrecognised deferred income tax assets, profit would increase by S\$5,335,000 (2016: S\$4,288,000).

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

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The net book value of the Group's property, plant and equipment as at 31 March 2017 is S\$1,589,000 (2016: S\$3,125,000) and annual depreciation charge for the financial year ended 31 March 2017 is S\$1,028,000 (2016: S\$1,496,000). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If the actual useful lives of the property, plant and equipment are longer or shorter than the management's estimate by one year on average, the Group's annual depreciation charge will be reduced by S\$652,000 (2016: S\$673,000) or increased by S\$470,000 (2016: S\$485,000) respectively.

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

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

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

Management has assessed that there is no indication of impairment noted for the Group's intangible assets and investment in associated company, accordingly no impairment assessment is performed.

Notes to the Financial Statements

For the financial year ended 31 March 2017

3 Critical accounting estimates, assumptions and judgements (continued)

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

Impairment of property, plant and equipment

The recoverable amounts of property, plant and equipment for a subsidiary corporation in the People's Republic of China has been determined based on the fair value less costs to sell, based on the transacted sale price which occurred after the reporting date. As a result, an impairment loss of S\$640,000 (2016: Nil) was recognised during the financial year.

The recoverable amounts of property, plant and equipment for a subsidiary corporation in Malaysia has been determined based on value-in-use (2016: fair value less cost to sell). Cash flow projections used in value-in-use calculations were based on financial budgets approved by management covering a two-year period. The key assumptions used for value-in-use calculations include gross margin of 8%, growth rate of Nil and pre-tax discount rate of 16.3%. No impairment is recognised during the financial year ended 31 March 2017 and 2016, as the recoverable amount is S\$462,000 or 34% higher (2016: S\$849,000 or 9% higher) than the carrying amounts. A further decrease in the gross profit margin applied to the value-in-use calculation by about 2% would result in the recoverable amounts being equal to the carrying amounts.

Impairment of investments in subsidiary corporations

The recoverable amount of investments in subsidiary corporations has been determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. An impairment charge of S\$18,236,000 (2016: S\$3,995,000) arose in the financial year ended 31 March 2017 which reduced the carrying amount of investments in subsidiary corporations from S\$35,697,000 to S\$17,461,000 (2016: from S\$39,692,000 to S\$35,697,000). Full impairment had been recognised for the Company's investments in subsidiary corporations which have indications of impairment during the financial year ended 31 March 2017 (2016: partial impairment of S\$3,995,000).

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

(e) *Classification of associated company*

Judgment is required to determine when the Group establishes significant influence over an investee. Management reviews the classification of EG Industries Sdn Bhd. ("EG") as an associated company at least annually and also whenever there are any changes to the percentage of shareholdings. The Group is presumed to not have significant influence if they hold, directly or indirectly, less than 20% of the voting power of the investee. The Company currently holds 11.80% (2016: 11.80%) of the ordinary shares of EG which is less than 20%. Management has assessed that the Group still has significant influence over EG due to the Group's voting power (both through its equity holding and its representation on the Board of EG).

Notes to the Financial Statements

For the financial year ended 31 March 2017

4 Revenue

	Group	
	2017	2016
	S\$'000	S\$'000
Provision of precision plastic injection moulding services ("PPIM")	6,664	9,854
Design, fabrication and sale of precision plastic injection moulds ("MDF")	1,698	2,899
Electronic components distribution	100,396	71,839
	<u>108,758</u>	<u>84,592</u>

5 Other income

	Group	
	2017	2016
	S\$'000	S\$'000
Government grants		
- Temporary employment credit	23	23
- Special employment credit	11	10
- Productivity and Innovation Credit cash payout	164	156
- Wage credit scheme	9	9
Interest income – bank deposits	21	27
Sales of scrap and other materials	75	73
Others	130	170
	<u>433</u>	<u>468</u>

6 Other losses - net

	Group	
	2017	2016
	S\$'000	S\$'000
Loss on dilution of investment in associated company (Note 19)	–	(13,611)
Sale of rights issued by associated company	–	155
(Loss)/gain on disposal of property, plant and equipment	(14)	439
Loss on disposal of an investment property	–	(151)
Currency exchange loss - net	(1,434)	(1,861)
Others	–	(4)
	<u>(1,448)</u>	<u>(15,033)</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

7 Expenses by nature

	Group	
	2017	2016
	S\$'000	S\$'000
Purchase of inventories	105,718	69,368
Allowance for impairment of trade receivables (Note 35(b)(i))	–	35
Allowance for impairment of other receivables (Note 35(b)(ii))	76	287
Amortisation of intangible assets (Note 21(d))	435	128
Depreciation of property, plant and equipment (Note 20)	1,028	1,496
Depreciation of an investment property	–	78
Impairment loss on goodwill (Note 21(a))	–	2,332
Impairment loss on property, plant and equipment (Note 20)	640	–
Total amortisation, impairment and depreciation	2,103	4,034
Bad debts written off	100	45
Directors' fees	180	200
Employee compensation (Note 8)	8,790	9,694
Fees on audit services paid/payable to:		
- Auditor of the Company	155	125
- Other auditors*	50	80
Fees on non-audit services paid/payable to auditor of the Company	24	47
Total fees on audit and non-audit services	229	252
Freight charges	780	846
Inventory write-down	93	12
Packing materials	77	152
Professional fees	359	301
Rental expenses on operating leases	1,166	1,414
Travelling, transportation and entertainment	811	667
Utilities	793	1,015
Workshop, repair and maintenance	490	686
Write back of allowance for impairment of trade receivables (Note 35(b)(i))	(21)	–
Changes in inventories	(7,768)	2,793
Other expenses	1,740	1,658
Total cost of sales, administrative, and selling and distribution expenses	115,716	93,459

* Includes the network of member firms of Nexia International.

Notes to the Financial Statements

For the financial year ended 31 March 2017

8 Employee compensation

	Group	
	2017	2016
	S\$'000	S\$'000
Wages and salaries	6,654	8,170
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	831	922
Employee share award expense	43	169
Termination benefits (Note 26)	724	–
Other short-term benefits	538	433
	8,790	9,694

9 Finance expenses

	Group	
	2017	2016
	S\$'000	S\$'000
Interest expense:		
- Bank borrowings	179	331
- Finance lease liabilities	4	7
- Loan from a related party	200	–
	383	338

10 Income tax expense

(a) Income tax expense

	Group	
	2017	2016
	S\$'000	S\$'000
Tax expense attributable to loss is made up of:		
Loss for the financial year:		
- Current income tax - Foreign	–	2
Over provision in prior financial years:		
- Current income tax - Foreign	*	405
	*	407

* Amount less than S\$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2017

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	
	2017	2016
	S\$'000	S\$'000
Loss before income tax	(7,482)	(21,817)
Less: Share of profit of associated company, net of tax (Note 19)	(874)	(1,953)
Loss before income tax and share of profit of associated company	<u>(8,356)</u>	<u>(23,770)</u>
Tax calculated at tax rate of 17% (2016: 17%)	(1,421)	(4,041)
Effects of:		
- Different tax rate in other countries	(569)	(387)
- Expenses not deductible for tax purposes	1,218	3,315
- Income not subject to tax	(95)	(132)
- Utilisation of previously unrecognised capital allowances	(132)	-
- Deferred tax assets not recognised	985	1,244
- Others	14	3
	<u>-</u>	<u>2</u>

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\$21,528,000 (2016: S\$16,370,000) and S\$3,851,000 (2016: S\$3,874,000) 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\$3,734,000 (2016: S\$5,032,000) which will expire in 2022 (2016: 2021).

(b) Movement in current income tax liabilities

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Beginning of financial year	101	2	-	-
Currency translation differences	(2)	(23)	-	-
Income tax paid	(81)	(285)	-	-
Tax expense	*	407	-	-
End of financial year	<u>18</u>	<u>101</u>	<u>-</u>	<u>-</u>

*Amount less than S\$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2017

11 Loss per share

Basic loss per share is calculated by dividing the net loss 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 loss per share, weighted average number of shares in issue has been adjusted for the effects of convertible loan which is assumed to have been converted into ordinary shares at issuance and the net loss attributable to equity holders of the Company is adjusted to eliminate the interest expense less any tax effect.

	Group	
	2017	2016
	S\$'000	S\$'000
Net loss attributable to equity holders of the Company	(7,482)	(22,224)
Interest expense on convertible loan, net of tax	108	–
Net loss used to determine diluted earnings per share	<u>(7,374)</u>	<u>(22,224)</u>
Weighted average number of ordinary shares outstanding for basic loss per share	333,158	344,150
Adjustments for convertible loan	161,043	–
Weighted average number of ordinary shares outstanding for diluted loss per share	<u>494,201</u>	<u>344,150</u>
Basic and diluted loss per share (cents per share)	<u>(2.25)</u>	<u>(6.46)</u>

As the Group is making losses for the financial years ended 31 March 2017 and 2016, the dilutive potential shares from convertible loan are anti-dilutive and no changes is made to the diluted loss per share.

12 Cash and cash equivalents

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Cash and bank balances	9,379	887	9	15
Short-term bank deposits	1,954	205	–	–
	<u>11,333</u>	<u>1,092</u>	<u>9</u>	<u>15</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

12 Cash and cash equivalents (continued)

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

	Group	
	2017 S\$'000	2016 S\$'000
Cash and cash equivalent (as above)	11,333	1,092
Less: Bank deposits pledged for:		
- bank borrowing (Note 23)	-	(205)
- banking facilities*	(1,954)	-
Cash and cash equivalents per consolidated statement of cash flows	9,379	887

*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.

13 Financial assets, at fair value through profit or loss

	Group	
	2017 S\$'000	2016 S\$'000
<i>Held for trading</i>		
Quoted equity securities - Singapore	33	33

14 Trade and other receivables

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Trade receivables				
- non-related parties	20,522	15,635	-	-
Less: Allowance for impairment				
- non-related parties (Note 35(b)(ii))	(21)	(44)	-	-
Trade receivables - net	20,501	15,591	-	-
Non-trade receivables				
- non-related parties	1,058	800	51	4
- subsidiary corporations	-	-	34,645	12,966
- related parties	106	1,154	-	-
	1,164	1,954	34,696	12,970
Less: Allowance for impairment				
- non-related parties (Note 35(b)(ii))	(363)	(287)	-	-
- subsidiary corporations (Note 35(b)(ii))	-	-	(12,542)	(12,424)
Non-trade receivables - net	801	1,667	22,154	546
Advances to suppliers	1,098	554	-	-
	22,400	17,812	22,154	546

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

15 Inventories

	Group	
	2017 S\$'000	2016 S\$'000
Raw materials	439	436
Work-in-progress	188	315
Finished goods	469	739
Trading goods	13,529	5,460
	14,625	6,950

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S\$97,950,000 (2016: S\$72,161,000).

16 Other current assets

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Deposits	490	406	3	–
Prepayments	143	117	18	20
	633	523	21	20

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

	Group	
	2017 S\$'000	2016 S\$'000
Beginning and end of financial year	7,300	7,300

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.

Notes to the Financial Statements

For the financial year ended 31 March 2017

17 Non-current assets classified as held-for-sale (continued)

As the loans provided by each financial institution to WEC for the Excluded Properties are not directly transferable to the Vendor, both WEC and the Vendor are sourcing for other financial institutions to have the loan transferred. There have been negotiations with other financial institutions and the Vendor is not intending to make a pay down of the balance outstanding to reserve cash for expansion purposes which resulted in a delay in the transfer of the Excluded Properties. Management is of the view that the delay in the completion of the disposal is caused by events and circumstances beyond the Company's control. At this point, the management remains committed to proceed with the completion of the disposal as soon as possible. As such, the Excluded Properties remain as 'Non-current assets classified as held-for-sale' on the statements of financial position.

18 Investments in subsidiary corporations

	Company	
	2017 S\$'000	2016 S\$'000
<i>Equity investment at cost</i>		
Beginning and end of financial year	42,966	42,966
<i>Less:</i>		
<i>Allowance for impairment</i>		
Beginning of financial year	7,269	3,274
Impairment charge	18,236	3,995
End of financial year	25,505	7,269
	17,461	35,697

During the financial year, impairment loss of S\$18,236,000 (2016: S\$3,995,000) in subsidiary corporations was recognised in the PPIM and MDF segments in the People's Republic of China (2016: electronics components distribution segment in Singapore). The impairment loss was made to write down the carrying amount of investment in a subsidiary corporation to its recoverable amount following a review of the subsidiary corporation's business.

The recoverable amount was determined based on value-in-use calculations. Cash flow projections used in the value-in-use calculations were based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below.

Key assumptions used for value-in-use calculations:

	PPIM and MDF		Electronic components distribution	
	2017	2016	2017	2016
Gross margin (budgeted gross margin)	(67%)	21%	6%	7%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	3%	3%	2%	2%
Discount rate (pre-tax discount rate applied to the pre-tax cash flow projections)	12%	19.7%	10%	10%

Notes to the Financial Statements

For the financial year ended 31 March 2017

18 Investments in subsidiary corporations (continued)

The weighted average growth rate used was consistent with forecasts included in industry reports. The discount rate used was pre-tax and reflected specific risks relating to the industry.

The impairment test carried out as at 31 March 2017 has indicated that the recoverable amount for the PPIM and MDF segments in the People's Republic of China is Nil or 100% lower than its carrying amount and the recoverable amount for the electronics component distribution segment in Singapore is S\$44,820,000 or 172% higher than its carrying amount. The recoverable amount for the PPIM and MDF segment in the People's Republic of China has decreased due to the forecasted financial performance being insufficient to cover the cost of investment, accordingly full impairment is recognised.

The impairment test carried out as at 31 March 2016 has indicated that the recoverable amount for the PPIM and MDF segments in People's Republic of China is S\$26,177,000 or 249% higher than its carrying amount and the recoverable amount for the electronics components distribution segment in Singapore is S\$5,161,000 or 69% lower than its carrying amount. The recoverable amount for the electronics components distribution segment in Singapore has decreased due to the forecasted financial performance being insufficient to cover the cost of investment, accordingly impairment of S\$3,995,000 has been taken up.

Details of subsidiary corporations are as follows:

Name of Companies	Country of incorporation	Principal activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2017 %	2016 %	2017 %	2016 %
<i>Held by the Company</i>						
Jubilee Industries (S) Pte Ltd ^(a)	Singapore	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100
E'Mold Holding Pte Ltd ^(a)	Singapore	Investment holding	100	100	100	100
J Capital Pte Ltd ^(a)	Singapore	Investment holding	100	100	100	100
WE Components Pte Ltd ^(a)	Singapore	Trading in electronic components	100	100	100	100
<i>Held by subsidiary corporations</i>						
Jubilee Manufacturing Sdn Bhd ^(b)	Malaysia	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100
E'Mold Manufacturing (Kunshan) Co. Ltd ^(c)	People's Republic of China	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100

Notes to the Financial Statements

For the financial year ended 31 March 2017

18 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows (continued):

Name of Companies	Country of incorporation	Principal activities	Proportion of ordinary shares directly held by parent		Proportion of ordinary shares directly held by Group	
			2017 %	2016 %	2017 %	2016 %
<i>Held by subsidiary corporations (continued)</i>						
WE Components (Shanghai) Co Ltd ^(d) (Audited by Shangzi Certified Public Accountants Co., Ltd)	People's Republic of China	Trading in electronic components	100	100	100	100
WE Components Co Ltd ^(d) (Audited by BZY Audit (Thailand) Limited)	Thailand	Trading in electronic components	100	100	100	100
WE Components (Hong Kong) Limited ^(d) (Audited by Fan, Chan & Co)	Hong Kong	Trading in electronic components	100	100	100	100
WE Components (Shenzhen) Co Ltd ^(e)	People's Republic of China	Trading in electronic components	100	100	100	100
Kin Wai Technology Ltd ^(d) (Audited by Fan Chan & Co)	British Virgin Islands	Trading in electronic components	100	100	100	100
WE Microelectronics Pte Ltd ^(a)	Singapore	Trading in electronic components	100	100	100	100
WE Components (Penang) Sdn Bhd ^(d) (Audited by KPMG, Penang)	Malaysia	Trading in electronic components	100	100	100	100
WE Components India Pvt Ltd ^(d) (Audited by Vasanth & Co)	India	Trading in electronic components	100	100	100	100

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

^(b) Audited by SSY Partners Chartered Accountants, Malaysia, a member firm of Nexia International. For the purpose of preparing the consolidated financial statements, financial statements of Jubilee Manufacturing Sdn Bhd have been audited by Nexia TS Public Accounting Corporation.

^(c) Audited by Suzhou Jing An Certified Public Accountants Co., Ltd for local statutory purposes. For the purpose of preparing the consolidated financial statements, financial statements of E'Mold Manufacturing (Kunshan) Co. Ltd have been audited by Shanghai Nexia TS Certified Public Accountants.

^(d) Audited by other independent auditors other than member firms of Nexia International. Their names are indicated as above.

^(e) The subsidiary corporation is dormant and does not require audit nor consolidation, as it is not significant to the Group.

Notes to the Financial Statements

For the financial year ended 31 March 2017

18 Investments in subsidiary corporations (continued)

Significant restrictions

Cash and cash equivalents of S\$1,510,892 (2016: S\$2,023,571) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

19 Investment in associated company

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Beginning of financial year	7,847	17,663	9,722	8,956
Additions	–	766	–	766
Share of profit (Note 10(a))	874	1,953	–	–
Share of other comprehensive income (Note 30(b)(ii))	568	1,076	–	–
Loss on dilution of investment in associated company (Note 6)	–	(13,611)	–	–
Currency translation differences	(812)	–	–	–
End of financial year	<u>8,477</u>	<u>7,847</u>	<u>9,722</u>	<u>9,722</u>

Set out below is the associated company of the Group as at 31 March 2017, which, in the opinion of the directors, is material to the Group. The associated company as listed below has share capital solely of ordinary shares, which are held directly by the Group; the country of incorporation is also their principal place of business.

Name of entity	Principal activities	Country of incorporation	% of ownership interest 2017	% of ownership interest 2016
EG Industries Berhad ^(a)	Provision of electronics manufacturing services for electronics, electrical, telecommunication and automotive industries products	Malaysia	11.80%	11.80%

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

The Company's investment in associated company amounting to S\$1,358,000 (2016: S\$1,257,000) has been pledged as security for the Company's margin facility account (Note 32(c)). Under the terms and conditions of the letter of offer, the Company is prohibited from disposing of this investment or subjecting it to further charges without furnishing a replacement security of similar value.

During the previous financial year, EG Industries Berhad ("EG") carried out a rights and warrants exercise. The Company did not participate in this exercise and as a result, the ownership interest has diluted from 32.38% to 11.80%. The Group accounts for its investment in EG as an associated company although the Group holds less than 20% of the issued shares of EG as the Group is able to exercise significant influence over the investment due to the Group's voting power (both through its equity holding held by the Company and a director, and its representation on the Board of EG).

Notes to the Financial Statements

For the financial year ended 31 March 2017

19 Investment in associated company (continued)

As at 31 March 2017, the fair value of the Group's interest in EG, which is listed in Bursa Malaysia Securities Berhad was S\$7,095,000 (2016: S\$7,375,000). The fair value measurement is classified within Level 1 of the fair value hierarchy. Although the fair value of the investment in associated company is lower than its carrying amount, management is of the view that no impairment assessment is required as EG is held for long-term investment and it is unlikely that its recoverable amount would be lower than the carrying amount in view of the positive performance of EG in the current financial year and their recent trend of improving financial results.

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

Summarised financial information for associated company

Set out below is the summarised financial statements for EG.

Summarised statement of financial position

	2017	2016
	S\$'000	S\$'000
Current assets	153,447	131,981
Includes:		
- Cash and cash equivalents	9,807	22,658
Current liabilities	120,833	100,100
Includes:		
- Financial liabilities (excluding trade payables)	67,710	61,291
Non-current assets	58,748	56,610
Non-current liabilities	6,478	8,989
Includes:		
- Financial liabilities (excluding trade payables)	6,403	8,938
Net assets	84,884	79,502

Notes to the Financial Statements

For the financial year ended 31 March 2017

19 Investment in associated company (continued)

Summarised statement of comprehensive income

	2017	2016
	S\$'000	S\$'000
Revenue	294,859	257,766
Interest income	147	125
Expenses		
Includes:		
- Depreciation	8,671	8,586
- Interest expense	3,744	3,599
Profit before income tax	8,097	6,560
Income tax (expense)/credit	(690)	641
Net profit	<u>7,407</u>	<u>7,201</u>
Other comprehensive income	<u>4,814</u>	<u>2,371</u>
Total comprehensive income	<u><u>12,221</u></u>	<u><u>9,572</u></u>

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

	2017	2016
	S\$'000	S\$'000
Equity attributable to shareholders of the associated company		
At beginning of financial year	79,502	49,824
Profit for the financial year	7,407	7,201
Other comprehensive income for the financial year	4,814	2,371
Warrant exercise, purchase of treasury shares, rights issue and private placement during the year	(3)	25,781
Currency translation differences	(6,836)	(5,675)
At end of financial year	<u>84,884</u>	<u>79,502</u>
Interest in associated company (2017: 11.80%; 2016: 11.80%)	10,016	9,381
Fair value adjustment	4,742	4,742
Dilution	(6,276)	(6,276)
Other adjustments	(5)	-
Carrying value of Group's interest in associated company	<u>8,477</u>	<u>7,847</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

20 Property, plant and equipment

	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						
2017						
Cost						
Beginning of financial year	21,853	397	2,518	1,316	4,364	30,448
Currency translation differences	(954)	(9)	(94)	(58)	(151)	(1,266)
Additions	119	39	89	1	–	248
Disposals	(142)	–	(3)	(1)	–	(146)
End of financial year	20,876	427	2,510	1,258	4,213	29,284
Accumulated depreciation						
Beginning of financial year	18,988	253	2,325	1,167	4,249	26,982
Currency translation differences	(858)	(7)	(79)	(53)	(147)	(1,144)
Depreciation charge (Note 7)	807	64	71	14	72	1,028
Disposals	(124)	–	(2)	*	–	(126)
End of financial year	18,813	310	2,315	1,128	4,174	26,740
Accumulated impairment losses						
Beginning of financial year	313	4	1	18	5	341
Currency translation differences	(21)	–	–	(1)	–	(22)
Impairment charge (Note 7)	640	–	–	–	–	640
Disposals	(4)	–	–	–	–	(4)
End of financial year	928	4	1	17	5	955
Net book value						
End of financial year	1,135	113	194	113	34	1,589

*Amount less than S\$1,000

Notes to the Financial Statements

For the financial year ended 31 March 2017

20 Property, plant and equipment (continued)

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

- (a) The carrying amounts of motor vehicles under finance leases are S\$5,000 (2016: S\$109,000) at reporting date.
- (b) During the financial year ended 31 March 2017, impairment losses of S\$640,000 (2016: Nil) was recognised for property, plant and equipment as the estimated recoverable amount based on the transacted sale price, which occurred after the reporting date, of RMB4,000,000 (equivalent to S\$810,000) is lower than carrying amount of S\$1,450,000. The recoverable amount has decreased due to management exploring options to divest the loss-making subsidiary corporation which lead to a lower selling price.

Notes to the Financial Statements

For the financial year ended 31 March 2017

20 Property, plant and equipment (continued)

	Company	
	2017	2016
	S\$'000	S\$'000
Office equipment		
<i>Cost</i>		
Beginning and end of financial year	3	3
<i>Accumulated depreciation</i>		
Beginning of financial year	3	2
Depreciation charge	-	1
End of financial year	3	3
Net book value		
End of financial year	-	-

21 Intangible assets

	Group		Company	
	2017	2016	2017	2016
	S\$'000	S\$'000	S\$'000	S\$'000
Composition:				
Goodwill arising on consolidation (Note (a))	-	-	-	-
Computer software licenses (Note (b))	229	346	84	135
Distribution rights (Note (c))	3,028	-	-	-
	3,257	346	84	135

(a) Goodwill arising on consolidation

	Group	
	2017	2016
	S\$'000	S\$'000
<i>Cost</i>		
Beginning and end of financial year	2,332	2,332
<i>Accumulated impairment</i>		
Beginning of financial year	(2,332)	-
Impairment charge (Note 7)	-	(2,332)
End of financial year	(2,332)	(2,332)
Net book value		
End of financial year	-	-

Notes to the Financial Statements

For the financial year ended 31 March 2017

21 Intangible assets (continued)

(a) Goodwill arising on consolidation (continued)

Impairment test for goodwill

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

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

Key assumptions used for value-in-use calculations:

	2017	2016
Gross margin (budgeted gross margin)	–	7%
Growth rate (weighted average growth rate used to extrapolate cash flows beyond the budget period)	–	2%
Discount rate (pre-tax discount rate applied to the pre-tax cash flow projections)	–	10%

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

During the financial year ended 31 March 2016, an impairment charge of S\$2,332,000 was included within "Administrative expenses" in the statement of comprehensive income. The impairment charge arose from the electronic components distribution CGU due to the forecasted financial performance not being sufficient to cover the cost of investment, resulting in the full impairment of the goodwill.

(b) Computer software licenses

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
<i>Cost</i>				
Beginning of financial year	1,001	956	266	266
Currency translation differences	(10)	(12)	–	–
Additions	22	57	–	–
End of financial year	1,013	1,001	266	266
<i>Accumulated amortisation</i>				
Beginning of financial year	655	534	131	78
Currency translation differences	(7)	(7)	–	–
Amortisation charge	136	128	51	53
End of financial year	784	655	182	131
Net book value	229	346	84	135

Notes to the Financial Statements

For the financial year ended 31 March 2017

21 Intangible assets (continued)

(c) Distribution rights

	Group	
	2017 S\$'000	2016 S\$'000
<i>Cost</i>		
Beginning of financial year	–	–
Additions	3,327	–
End of financial year	3,327	–
<i>Accumulated amortisation</i>		
Beginning of financial year	–	–
Amortisation charge	299	–
End of financial year	299	–
Net book value	3,028	–

As at 31 March 2017, payments of S\$523,000 has been made to a non-related party. The payable balance of S\$2,804,000 remains outstanding as at the reporting date.

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

	Group	
	2017 S\$'000	2016 S\$'000
Administrative expenses (Note 7)	435	128

22 Trade and other payables

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Trade payables				
- non-related parties	19,019	6,848	–	–
- related parties	1,481	15	–	–
	20,500	6,863	–	–
Non-trade payables				
- non-related parties	1,721	685	93	41
- related parties	10,376	16,949	9,578	7,862
- subsidiary corporations	–	–	4,923	5,783
	12,097	17,634	14,594	13,686
Accrued operating expenses	776	44	142	103
Advances received from customers	682	809	–	–
	34,055	25,350	14,736	13,789

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

23 Borrowings

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Current				
Bank borrowings	–	270	–	–
Finance lease liabilities (Note 25)	4	24	–	–
Convertible loan (Note 24)	10,660	–	10,660	–
	<u>10,664</u>	<u>294</u>	<u>10,660</u>	<u>–</u>
Non-current				
Finance lease liabilities (Note 25)	–	26	–	–
Loan from a related party	11,363	–	11,363	–
	<u>11,363</u>	<u>26</u>	<u>11,363</u>	<u>–</u>
Total borrowings	<u>22,027</u>	<u>320</u>	<u>22,023</u>	<u>–</u>

Loan from a related party is unsecured, bears interest of 5% per annum and is repayable in full on 6 October 2019.

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	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
6 months or less	10,662	147	10,660	–
6 – 12 months	2	147	–	–
1 – 5 years	11,363	26	11,363	–
	<u>22,027</u>	<u>320</u>	<u>22,023</u>	<u>–</u>

(a) Security granted

Bank borrowings include secured liabilities of Nil (2016: S\$270,000) for the Group. Bank borrowings are secured by the Group's bank deposits of Nil (2016: S\$205,000) (Note 12) and corporate guarantee of the Company (Note 32(a)(ii)).

Finance lease liabilities of the Group are effectively secured over the leased motor vehicles (Note 20) as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the finance lease liabilities. The financial lease liabilities are also secured by the corporate guarantee of the Company.

Notes to the Financial Statements

For the financial year ended 31 March 2017

23 Borrowings (continued)

(b) Fair value of non-current borrowings

	Group	
	2017	2016
	S\$'000	S\$'000
Finance lease liabilities	–	26
Loan from a related party	11,001	–

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

	Group	
	2017	2016
	%	%
Finance lease liabilities	–	4.92
Loan from a related party	5.28	–

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

24 Convertible loan

On 7 October 2016, the Company entered into a convertible loan agreement (the "Agreement") with a related party for a loan amount of S\$10,821,000 which was translated from US\$8,000,000 at an agreed exchange rate of 1.35262. The loan is convertible into such number of new ordinary shares in the capital of the Company and subject to the terms and conditions of the Agreement. The convertible loan is unsecured, bears interest of 2% per annum and is due for repayment three years from the date of the Agreement.

The loan and all accrued interest can be converted in whole or in part, at the option of the related party at any date from 7 October 2016 to 6 October 2019 into Conversion Shares based on one hundred and twenty percent (120%) of the volume weighted average price quoted by the SGX-ST for 30 consecutive trading days ending on the trading day immediately preceding the date of the Agreement, and subject to the conditions of the Agreement.

The fair value of the liability component, included in current borrowings, is calculated using a market interest rate for an equivalent non-convertible bond at the date of issue. The residual amount, representing the value of the equity conversion component, is included in shareholders' equity in other reserves (Note 30), net of deferred income taxes.

Notes to the Financial Statements

For the financial year ended 31 March 2017

24 Convertible loan (continued)

The carrying amount of the liability component of the convertible bonds at the balance sheet date is derived as follows:

	Group and Company	
	2017	2016
	S\$'000	S\$'000
Face value of convertible bonds issued on 7 October 2016	10,821	–
Equity conversion component on initial recognition (Note 30(b)(iii))	(161)	–
Liability component on initial recognition and at end of financial year (Note 23)	<u>10,660</u>	<u>–</u>

As at 31 March 2017, the carrying amount of the convertible loan approximates its fair value.

On 15 May 2017, the Company received a conversion notice from the related party to exercise the conversion rights to convert the loan into ordinary shares of the Company (“Conversion Notice”), subject to the approval from SGX-ST. Subsequently on 28 June 2017, the Company has announced that the approval has been received from SGX-ST and in accordance with the terms of the Agreement, the Company shall allot and issue to a related party 338,006,296 ordinary shares of the Company on 22 May 2017, being 7 days following the receipt of the Conversion Notice.

Pursuant to the conversion exercise, the shareholding of the related party in the ordinary shares of the Company will increase from 29.1% to 64.7% and the Company may be classified as a subsidiary corporation of the related party.

25 Finance lease liabilities

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

	Group	
	2017	2016
	S\$'000	S\$'000
Minimum lease payment due:		
- Not later than one year	5	27
- Between two to five years	–	29
	<u>5</u>	<u>56</u>
Less: Finance charges	(1)	(6)
Present value of finance lease liabilities	<u>4</u>	<u>50</u>

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

	Group	
	2017	2016
	S\$'000	S\$'000
Not later than one year (Note 23)	4	24
Between two to five years (Note 23)	–	26
Total	<u>4</u>	<u>50</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

26 Provision

	Group	
	2017 S\$'000	2016 S\$'000
<i>Current</i>		
Restructuring	713	–

Movement in provision for restructuring is as follows:

	Group	
	2017 S\$'000	2016 S\$'000
Beginning of financial year	–	–
Currency translation differences	(11)	–
Provision made (Note 8)	724	–
End of financial year	713	–

The restructuring of the PPIM and MDF segment in the People's Republic of China will result in the retrenchment of 116 employees. Estimated staff redundancy costs amounting to S\$724,000 are recognised in the financial year ended 31 March 2017. Management expects the restructuring to be fully completed by next financial year. In conjunction with the restructuring exercise, the Company has recognised full impairment for its investment in the respective CGU (Note 18) and the Group has recognised impairment of S\$640,000 in respect of property, plant and equipment (Note 20). The Group will continue to operate the PPIM and MDF segment in the People's Republic of China in a smaller scale to fulfil remaining customers' orders while exploring other opportunities.

27 Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital S\$'000	Treasury shares S\$'000
Group and Company				
2017				
Beginning of financial year	346,505	(13,682)	48,932	(736)
Shares issued	1,721	–	43	–
End of financial year	348,226	(13,682)	48,975	(736)
2016				
Beginning of financial year	340,871	(13,682)	48,763	(736)
Share issued	5,634	–	169	–
End of financial year	346,505	(13,682)	48,932	(736)

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

27 Share capital and treasury shares (continued)

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

During the financial year, the Company issued 1,721,148 (2016: 5,634,306) shares under the JSAS with fair value of S\$0.0252 per share (2016: S\$0.0300 per share) at the grant date, amounting to S\$43,000 (2016: S\$169,000) (Note 8). The newly issued shares rank *pari passu* in all respects with the previously issued shares.

28 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.

29 Capital reserve

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

30 Other reserves

(a) Composition

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Currency translation reserve	1,055	768	–	–
Share of other comprehensive income/ (loss) of associated company	416	(152)	–	–
Equity component of convertible loan	161	–	161	–
	<u>1,632</u>	<u>616</u>	<u>161</u>	<u>–</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

30 Other reserves (continued)

(b) Movements:

(i) Currency translation reserve

	Group	
	2017	2016
	S\$'000	S\$'000
Beginning of financial year	768	(216)
Net currency translation differences of financial statements of foreign entities	287	984
End of financial year	1,055	768

(ii) Share of other comprehensive income/(loss) of associated company

	Group	
	2017	2016
	S\$'000	S\$'000
Beginning of financial year	(152)	(1,228)
Share of comprehensive income of associated company	568	1,076
End of financial year	416	(152)

(iii) Equity component of convertible loan

	Group and Company	
	2017	2016
	S\$'000	S\$'000
Beginning of financial year	–	–
Convertible loan – equity component (Note 24)	161	–
End of financial year	161	–

31 Accumulated losses

Movement in accumulated losses for the Company is as follows:

	Company	
	2017	2016
	S\$'000	S\$'000
Beginning of financial year	(15,708)	(10,194)
Net loss	(19,858)	(5,514)
End of financial year	(35,566)	(15,708)

Notes to the Financial Statements

For the financial year ended 31 March 2017

32 Contingent liabilities

(a) Corporate guarantees

- (i) The Company's subsidiary corporation has issued an insurance bond to one of its major supplier for greater credit limits and terms. The bond is provided with a total guaranteed amount of S\$5,581,000 (2016: S\$4,091,000).
- (ii) The Company has issued corporate guarantees to banks for borrowings of subsidiary corporations (Note 23). These bank borrowings amount to Nil (2016: S\$270,000) at the reporting date.

Management estimated that the fair value of the corporate guarantees is negligible in the view that the consequential benefits to be derived from its guarantee are not material and therefore not recognised. It is considered unlikely that the Company will be held liable as a result of the corporate guarantees since there are no default in the payment of borrowings by the subsidiary corporations to which guarantees are provided.

(b) Financial support

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

(c) Margin facility

The Company currently has outstanding balances in its margin facility account amounting to S\$96,000 (2016: S\$502,000). Based on the terms of the margin facility account, the Company has no liability to make repayment as long as the Financing Margin Ratio ("FMR") does not exceed 55%. The FMR as at 31 March 2017 is 8.76% (2016: 29.56%). This margin facility is secured by the ordinary shares of the associated company amounting to S\$1,358,000 (2016: S\$1,257,000) (Note 19).

33 Operating lease commitments

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

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

	Group	
	2017	2016
	S\$'000	S\$'000
Not later than one year	611	865
Between two and five years	347	4
	<u>958</u>	<u>869</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

34 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	
	2017	2016
	S\$'000	S\$'000
Sales of goods to a related party	1,040	665
Purchase of goods and services from related parties	(445)	(127)
Rental expenses paid/payable to a related party	(480)	(560)
	<u>1,040</u>	<u>(127)</u>

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 2017, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 14 and 22 respectively.

(b) Key management personnel compensation

Key management personnel compensation is as follows:

	Group	
	2017	2016
	S\$'000	S\$'000
Wages and salaries	321	1,002
Directors' fees	180	200
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	25	41
Termination benefits	–	8
Employee share award expense	6	–
Other short-term benefits	9	97
	<u>541</u>	<u>1,348</u>
Analysed as:		
Directors of the Company	–	818
Other key management personnel	541	530
	<u>541</u>	<u>1,348</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 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. The Group's principal financial instruments comprise loans from a related party, convertible loan, finance leases and cash and short-term bank deposits. The main purpose of these financial instruments is to raise financing for the Group's operations. The Group has various other financial assets and liabilities such as trade and other receivables and trade and other payables, which arise directly from its operations.

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

The overall business strategies of the Group, its tolerance for risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions. In determining its risk management policies, the management ensures that an acceptable balance is made between the cost of risks occurring and the cost of managing the 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"), Chinese Renminbi ("RMB") and Ringgit Malaysia ("MYR"). To manage the currency risk, the Group relies on natural hedging as a risk management tool and does not enter into derivative foreign exchange contracts to hedge its foreign currency risk.

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(a) Market risk

(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	RMB S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
Group						
2017						
Financial Assets						
Cash and cash equivalents	393	9,262	308	428	942	11,333
Trade and other receivables	527	19,585	458	583	149	21,302
Inter-company balances	48,878	10,738	11,182	149	1,447	72,394
Other financial assets	227	–	57	181	25	490
Financial assets, at fair value through profit or loss	33	–	–	–	–	33
	50,058	39,585	12,005	1,341	2,563	105,552
Financial Liabilities						
Trade and other payables	775	29,255	1,064	1,719	560	33,373
Inter-company balances	48,878	10,738	11,182	149	1,447	72,394
Borrowings	22,023	–	–	4	–	22,027
	71,676	39,993	12,246	1,872	2,007	127,794
Net financial (liabilities)/ assets	(21,618)	(408)	(241)	(531)	556	(22,242)
Add: Net financial liabilities/ (assets) denominated in respective entities' functional currencies	21,618	(246)	241	531	(556)	21,588
Currency exposure of financial liabilities	–	(654)	–	–	–	(654)

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S\$'000	USD S\$'000	RMB S\$'000	MYR S\$'000	Others S\$'000	Total S\$'000
Group						
2016						
Financial Assets						
Cash and cash equivalents	–	393	–	334	365	1,092
Trade and other receivables	2,886	12,365	123	1,623	261	17,258
Inter-company balances	40,387	477	305	–	–	41,169
Other financial assets	207	–	3	196	–	406
Financial assets, at fair value through profit or loss	33	–	–	–	–	33
	43,513	13,235	431	2,153	626	59,958
Financial Liabilities						
Trade and other payables	22,753	–	483	1,305	–	24,541
Inter-company balances	40,387	477	305	–	–	41,169
Borrowings	41	–	–	279	–	320
	63,181	477	788	1,584	–	66,030
Net financial (liabilities)/ assets	(19,668)	12,758	(357)	569	626	(6,072)
Add: Net financial liabilities/ (assets) denominated in respective entities' functional currencies	19,668	–	357	(569)	(626)	18,830
Currency exposure of financial assets	–	12,758	–	–	–	12,758

If the USD change against the SGD by 3% (2016: 1%) 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:

	Group	
	2017 S\$'000	2016 S\$'000
USD against SGD		
- Strengthened	16	(106)
- Weakened	(16)	106

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(a) Market risk (continued)

(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. As the Group has no significant interest bearing assets, the Group's interest income and operating cash flows are substantially independent of changes in market interest rates.

Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the impact on adverse movement of interest rates. The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, in respect of the fixed rate instruments, a change in interest rates at the reporting date would not affect profit or loss and equity.

(iii) Price risk

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

If price for equity securities listed in Singapore had changed by 1% (2016: 1%) with all other variables including tax rate being held constant, the impact to the net loss of the Group will not be significant.

(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 the high credit quality counterparties.

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

	Company	
	2017	2016
	S\$'000	S\$'000
Corporate guarantees provided to banks on subsidiary corporation's borrowings (Note 32(a)(ii))	–	270

The trade receivables of the Group comprise 3 debtors (2016: 3 debtors) that individually represented 5-20% (2016: 5-20%) of the Group's total trade receivables.

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(b) Credit risk (continued)

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

	Group	
	2017	2016
	S\$'000	S\$'000
<u>By geographical areas</u>		
Singapore	4,996	2,380
United States of America	270	405
Malaysia	2,691	2,852
People's Republic of China	6,812	5,455
India	2,073	1,813
Thailand	1,281	832
Vietnam	636	647
Other countries	1,742	1,207
	<u>20,501</u>	<u>15,591</u>
<u>By types of customers</u>		
Non-related parties		
- Multi-national companies	4,294	3,068
- Other companies	16,207	12,523
	<u>20,501</u>	<u>15,591</u>

Financial assets that are neither past due nor impaired

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

Financial assets that are past due and/or impaired

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

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

	Group	
	2017	2016
	S\$'000	S\$'000
Past due < 3 months	3,604	7,369
Past due 3 to 6 months	210	423
Past due > 6 months	1,397	421
	<u>5,211</u>	<u>8,213</u>

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(b) Credit risk (continued)

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

	Group	
	2017 S\$'000	2016 S\$'000
Gross amount – past due more than a year	21	44
Less: Allowance for impairment	(21)	(44)
	–	–
Beginning of financial year	44	170
Allowance made (Note 7)	–	35
Allowance written-back (Note 7)	(21)	–
Allowance utilised	–	(161)
Currency translation differences	(2)	–
End of financial year (Note 14)	21	44

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

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

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Gross amount				
- past due less than a year	–	–	34,645	12,966
- past due more than a year	363	287	–	–
Less: Allowance for impairment	(363)	(287)	(12,542)	(12,424)
	–	–	22,103	542
Beginning of financial year	287	–	12,424	12,424
Allowance made (Note 7)	76	287	118	–
End of financial year (Note 14)	363	287	12,542	12,424

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 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 bank borrowings, bills payable, bank overdrafts and finance lease liabilities.

The table below analyses non-derivative financial liabilities of the Group and the Company into relevant maturity groupings based on the remaining period from the 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		
2017		
Trade and other payables	33,032	–
Borrowings	10,665	11,001
	43,697	11,001
2016		
Trade and other payables	24,541	–
Borrowings	297	29
	24,838	29
Company		
2017		
Trade and other payables	14,395	–
Borrowings	10,660	11,001
	25,055	11,001
2016		
Trade and other payables	13,789	–
Financial guarantee contracts	270	–
	14,059	–

(d) Capital risk

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

35 Financial risk management (continued)

(d) Capital risk (continued)

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

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Total liabilities	56,813	25,771	36,759	13,789
Total equity	12,834	19,257	12,692	32,346
Debt-equity ratio	4.43	1.34	2.90	0.43

The Group and the Company are not subject to any externally imposed capital requirements.

(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	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
2017				
Financial assets at fair value through profit or loss	33	–	–	33
2016				
Financial assets at fair value through profit or loss	33	–	–	33

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

The fair value of financial instruments traded in active markers (such as trading) 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.

Notes to the Financial Statements

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35 Financial risk management (continued)

(f) Financial instruments by category

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

	Group		Company	
	2017 S\$'000	2016 S\$'000	2017 S\$'000	2016 S\$'000
Loans and receivables	33,125	18,756	22,166	561
Financial assets at fair value through profit or loss	33	33	–	–
Financial liabilities at amortised cost	55,400	24,861	36,759	13,789

36 Segment information

Management has determined the operating segments based on the reports reviewed by the Executive Committee (“Exco”) that are used to make strategic decisions. The Exco comprises the Non-Executive Director, the Chief Financial Officer/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 PPIM, MDF and electronic components distribution.

Notes to the Financial Statements

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36 Segment information (continued)

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

	PPIM S\$'000	MDF S\$'000	Electronic Components Distribution S\$'000	Total S\$'000
2017				
Sales				
Revenue – external parties	6,664	2,243	100,396	109,303
Inter-segment sales	–	(545)	–	(545)
Sales to external parties	6,664	1,698	100,396	108,758
Gross (loss)/profit	(546)	(1,009)	5,269	3,714
Other income				433
Other losses - net				(1,448)
Expenses				
- Distribution and marketing				(1,294)
- Administrative				(9,378)
- Finance				(383)
Share of profit of associated company				874
Loss before income tax				(7,482)
Income tax expense				*
Net loss				(7,482)
Depreciation of property, plant and equipment				1,028
Amortisation of intangible assets				435
Impairment loss on property, plant and equipment				640

*Amount less than S\$1,000

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36 Segment information (continued)

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

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

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

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

Notes to the Financial Statements

For the financial year ended 31 March 2017

36 Segment information (continued)

Geographical information

The Group's three (2016: three) business segments operate in eight (2016: eight) 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
- Malaysia – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- Singapore – the Company is headquartered and has operations in Singapore. The operations in this area are principally the provision of PPIM and MDF and distribution of electronic components
- 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
- Indonesia – the operations in this area are principally the distribution of electronic components
- Thailand – the operations in this area are principally the distribution of electronic components
- Vietnam – the operations in this area are principally the distribution of electronic components
- Other countries – the operations in this area are principally the provision of PPIM and MDF and distribution of electronic components.

	Revenue	
	2017 S\$'000	2016 S\$'000
United States of America	1,803	1,110
Malaysia	10,546	13,969
Singapore	16,786	17,638
People's Republic of China	52,223	27,909
India	9,782	12,546
Indonesia	3,711	1,484
Thailand	5,200	5,080
Vietnam	5,708	2,904
Other countries	2,999	1,952
	<u>108,758</u>	<u>84,592</u>

	Non-current assets	
	2017 S\$'000	2016 S\$'000
Malaysia	432	776
Singapore	11,307	8,481
People's Republic of China	1,572	2,061
Other countries	12	–
	<u>13,323</u>	<u>11,318</u>

Revenue of approximately S\$22,951,531 (2016: S\$11,200,859) is derived from a single external customer. This revenue is attributable to the distribution of electronic components located in People's Republic of China (2016: distribution of electronic components located in People's Republic of China).

Notes to the Financial Statements

For the financial year ended 31 March 2017

37 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 2017 or later periods:

Effective for annual periods beginning on or after 1 January 2018

- FRS 109 Financial Instruments
- FRS 115 Revenue from Contracts with Customers
- Amendments to FRS 40 Transfers of Investment Property
- Amendments to FRS 102 Classification and Measurement of Share-based Payment Transactions
- Amendments to FRS 115 Clarifications to FRS 115 Revenue from Contracts with Customers
- Improvements to FRSs (December 2016)
- Amendments to FRS 28 Investments in Associates and Joint Ventures
- Amendments to FRS 101 First-Time Adoption of Financial Reporting Standards
- INT FRS 122 Foreign Currency Transactions and Advance Consideration

Effective for annual periods beginning on or after 1 January 2019

- FRS 116 Leases
*Effective date: to be determined**
- Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

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

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

- FRS 115 Revenue from contracts with customers (effective for annual periods beginning on or after 1 January 2018)

This is the converged standard on revenue recognition. It replaces FRS 11 Construction contracts, FRS 18 Revenue, and related interpretations. Revenue is recognised when a customer obtains control of a good or service. A customer obtains control when it has the ability to direct the use of and obtain the benefits from the good or service. The core principle of FRS 115 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Notes to the Financial Statements

For the financial year ended 31 March 2017

37 New or Revised Accounting Standards and Interpretations (continued)

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 2017 or later periods: (continued)

- FRS 115 Revenue from contracts with customers (continued)

FRS 115 also includes a cohesive set of disclosure requirements that will result in an entity providing users of financial statements with comprehensive information about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

At this stage, the Group is not able to estimate the impact of the new rules on the Group's financial statements. The Group will make more detailed assessment of the impact over the next twelve months.

- FRS 109 Financial instruments (effective for annual periods beginning on or after 1 January 2018)

The complete version of FRS 109 replaces most of the guidance in FRS 39. FRS 109 retains the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through Other Comprehensive Income (OCI) and fair value through Profit or Loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI.

The Group does not expect the new guidance to have a significant impact on the classification of its financial assets.

For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designed at fair value through profit or loss. There will be no impact on the Group's accounting for financial liabilities as the Group does not have any such liabilities.

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Management anticipates that the initial application of the new FRS 109 will result in changes to the accounting policies relating to the impairment provisions of financial asset. Management will consider whether a lifetime or 12-month expected credit losses on financial assets should be recognised, which is dependent on whether there has been a significant increase in the credit risk of the assets from initial recognition to the date of initial application of FRS 109. Additional disclosures will also be made. It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's financial statements in the period of initial application as management has yet to complete its detailed assessment.

Notes to the Financial Statements

For the financial year ended 31 March 2017

37 New or Revised Accounting Standards and Interpretations (continued)

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 2017 or later periods: (continued)

- FRS 116 Leases (effective for annual periods beginning on or after 1 January 2019)

FRS 116 will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. The accounting for lessors will not change significantly.

The standard will affect primarily the accounting for the Group's operating leases. However, the Group has yet to determine to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under FRS 116.

Statistics of Shareholdings

As at 20 June 2017

Issued and fully paid-up capital	:	S\$49,890,685.26
Number of Issued Shares (excluding Treasury Shares)	:	334,544,617
Number/Percentage of Treasury Shares	:	13,682,000 (4.09 %)
Voting rights	:	One vote per share
Class Of Shares	:	Ordinary Shares

Distribution of shareholdings as at 20 June 2017

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	95	9.98	653	0.00
100 – 1,000	23	2.42	16,378	0.00
1,001 – 10,000	106	11.13	791,903	0.24
10,001 – 1,000,000	700	73.53	102,066,223	30.51
1,000,001 and above	28	2.94	231,669,460	69.25
Total	952	100.00	334,544,617	100.00

Twenty Largest Shareholders as at 20 June 2017

No.	Name of Shareholders	No. of Shares	% of Shares
1	Accrelist Ltd	97,354,500	29.10
2	Phillip Securities Pte Ltd	32,535,553	9.73
3	Goh Bee Lan	10,400,000	3.11
4	Maybank Kim Eng Securities Pte Ltd	9,782,900	2.92
5	Jun Yuan Holdings Pte Ltd	9,750,000	2.91
6	Citibank Nominees Singapore Pte Ltd	9,269,000	2.77
7	Lim Chye Huat @ Bobby Lim Chye Huat	8,000,000	2.39
8	Toh Soon Huat	6,523,000	1.95
9	Khoo Hang Choong	6,500,000	1.94
10	RHB Securities Singapore Pte Ltd	4,221,000	1.26
11	UOB Kay Hian Pte Ltd	3,349,200	1.00
12	Tee Wee Sien (Zheng Weixian)	3,323,000	0.99
13	Raffles Nominees (Pte) Ltd	3,215,000	0.96
14	CIMB Securities (Singapore) Pte Ltd	3,209,040	0.96
15	OCBC Securities Private Ltd	2,694,900	0.81
16	Tan Eng Chua Edwin	2,431,400	0.73
17	Francis Lee Fook Wah	2,266,000	0.68
18	Quek Wee Ling	2,220,800	0.66
19	Teo Yong Ping (Zhang Rongbin)	2,075,067	0.62
20	Goh Bak Heng	1,700,000	0.51
	Total	220,820,360	66.00

Based on the information available to the Company as at 20 June 2017, approximately 59.54 % of the issued ordinary shares of the Company is held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Limited is complied with.

Statistics of Shareholdings

As at 20 June 2017

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Accrelist Ltd	97,354,500	29.10	–	–
Terence Tea Yeok Kian ¹	–	–	97,354,500	29.10
Toh Soon Huat	5,963,000	1.78	32,027,000	9.57

¹ Terence Tea Yeok Kian is deemed to be interested in 97,354,500 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 of **JUBILEE INDUSTRIES HOLDINGS LTD.** (the “**Company**”) will be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564, on Friday, 28 July 2017 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 2017 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To approve the payment of Directors’ fees of S\$180,000 for the financial year ending 31 March 2018, to be paid half-yearly in arrears. (2017: S\$180,000.) **(Resolution 2)**
3. To re-elect Mr Ng Siew Hoong, who is retiring by rotation in accordance with Regulation 88 of the Company’s Constitution, as a Director of the Company. *[See Explanatory note (i)]* **(Resolution 3)**
4. To re-elect Mr Cheong Keng Chuan, Alfred, who is retiring by rotation in accordance with 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 auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

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

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

(Resolution 6)

Notice of Annual General Meeting

8. Renewal of the Share Buyback Mandate

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

“That:-

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

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

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

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

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

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

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

Notice of Annual General Meeting

where:

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

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

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

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

“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: Rule of Catalist of the Singapore Exchange Securities Trading Limited (the **“SGX-ST”**) (**“Catalist Rules”**), authority be and is hereby given to the Directors of the Company to:-

- (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) 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 (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force, provided that:-

- (i) 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) shall not exceed 100% of the Company’s total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) 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) shall not exceed 50% of the Company’s total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (ii) below);
- (ii) (subject to such manner of calculation as may be prescribed by the Catalist Rules), for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (i) 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 which are outstanding or subsisting at the time this Resolution is passed, provided that the share options or share awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and

Notice of Annual General Meeting

- (c) any subsequent bonus issue, consolidation or subdivision of Shares;
- (iii) 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) and the Constitution for the time being of the Company; and
- (iv) unless revoked or varied by the Company in general meeting, such 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, whichever is the earlier." [See Explanatory Note (v)] **(Resolution 8)**

10. **The proposed allotment and issue of 150,150,150 new ordinary shares in the capital of the Company to Mr Pek Hak Bin (the "Subscriber") at a subscription price of S\$0.0333 for each subscription share pursuant to the share placement agreement dated 29 June 2017 between the Company and the Subscriber**

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

"That, subject to and contingent upon Resolution 10 below being passed:

- (a) approval be given to the directors of the Company ("**Directors**") to allot and issue to the Subscriber an aggregate of 150,150,150 new ordinary shares ("**Subscription Shares**") in the capital of the Company at a subscription price of S\$0.0333 per Subscription Share payable in cash, subject to, and in accordance with, the terms of the share placement agreement entered into between the Company and the Subscriber on 29 June 2017 ("**Placement Agreement**"); and
- (b) the Directors and each of them be authorised to complete and to do any and all such acts and things (including making such amendments to the terms and conditions of the Placement Agreement and executing all such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the Placement Agreement and this Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company." [See Explanatory Note (vi)] **(Resolution 9)**

11. **The proposed change of controlling interest in the Company to the Subscriber pursuant to the Placement**

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

"That, subject to and contingent upon Resolution 9 above being passed:

- (a) approval be given for the change of controlling interest in the Company to the Subscriber under Rule 803 of the Listing Manual pursuant to the Placement; and
- (b) the Directors and each of them be and are hereby authorised to complete and to do any and all such acts and things (including making such amendments to the terms and conditions of the Placement Agreement and executing all such documents as may be required) as they or he may consider necessary, desirable or expedient to give effect to the Placement Agreement and this Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company." [See Explanatory Note (vi)] **(Resolution 10)**

Notice of Annual General Meeting

12. **The proposed allotment and issue of 4,504,504 new ordinary shares in the capital of the Company to Mr Seah Chong Hoe (the “Introducer”) at an issue price of S\$0.0333 per share in connection with the Placement**

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

“That, subject to and contingent upon Resolutions 9 and 10 above being passed:

- (a) approval be given to the Directors to allot and issue to the Introducer, the introducer for the Placement, an aggregate of 4,504,504 new ordinary shares (the “**Introducer’s Shares**”) in the capital of the Company at an issue price of S\$0.0333 per Introducer Share as introducer fee in connection with the Placement; and
- (b) the Directors and each of them be authorised to complete and to do any and all such acts and things and executing all such documents as may be required as they or he may consider necessary, desirable or expedient to give effect to this Resolution, with such modification thereto (if any) as they shall deem fit in the interests of the Company.” *[See Explanatory Note (vi)]* **(Resolution 11)**

By Order of the Board

Wong Chuen Shya (Huang Chunxia)
Sng Ee Lian
Company Secretaries

Singapore, 13 July 2017

Explanatory Notes:

- (i) Mr Ng Siew Hoong, if re-elected, will remain as the Chairman of the Nominating Committee and a member of the Audit and Nominating Committees and will be considered independent.
- (ii) Mr Cheong Keng Chuan, Alfred, if re-elected, will remain as the Chairman of the Audit and the Remuneration Committees and a member of the Nominating Committee and will be considered independent.
- (iii) Ordinary Resolution 6, if passed, will empower the Directors to offer and grant Awards and to issue shares in the capital of the Company to selected employees of the Group, pursuant to the JSAS (which was approved by shareholders at the Extraordinary General Meeting held on 21 November 2014), provided that the aggregate number of shares to be issued pursuant to the JSAS shall not exceed fifteen per cent (15%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) of the Company from time to time.
- (iv) Ordinary Resolution 7, if passed, will empower the Directors of the Company to make purchases or otherwise acquire the Company’s issued Shares from time to time subject to and in accordance with the guidelines set out in the Circular accompanying this Notice. The authority will expire at the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required by law to be held, whichever is earlier, unless previously revoked or waived at a general meeting. Please refer to the Appendix 1 for more details.
- (v) Ordinary Resolution 8, if passed, will empower 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 revoked by the Company in a general meeting, whichever is the earliest, to allot and issue Shares and convertible securities in the Company. The aggregate number of shares (including any Shares issued pursuant to the convertible securities) which the Directors may allot and issue under this Resolution will not exceed 100% of the Company’s 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, in the capital of the Company may be issued other than on a pro-rata basis to existing shareholders.
- (vi) Ordinary Resolutions 9, 10 and 11 are inter-conditional. This means that if any of the Resolution 9, 10 or 11 is not passed, all of Resolutions 9, 10 and 11 would not be passed.

Notice of Annual General Meeting

Notes:

1. A Member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at the Annual General Meeting may appoint not more than two proxies to attend and vote in his/her stead. A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 10 Ubi Crescent, Ubi Techpark Lobby E #03-94-96, Singapore 408564 not less than forty-eight (48) hours before the time appointed for holding the Meeting.
4. This notice and its contents have been reviewed by the Company's sponsor, RHT Capital Pte Ltd ("Sponsor"), for compliance with the relevant rules of the SGX-ST, this being the SGX-ST Listing Manual Section B: Rules of the Catalist. The Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the SGX-ST. The Sponsor 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 Nathaniel Chelvarajah Vanniasingham, Registered Professional, RHT Capital Pte Ltd, 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6946.

*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:

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

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JUBILEE INDUSTRIES HOLDINGS LTD.

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

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

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

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

of _____ (Address)

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

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

and/or (delete as appropriate)

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

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on Friday, 28 July 2017 at 10:00 a.m. and at any adjournment thereof.

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

No.	Ordinary Resolutions relating to:	No. of votes 'For'*	No. of votes 'Against'*
1	Adoption of the Directors' Statement and the Audited Financial Statements for the financial year ended 31 March 2017		
2	Approval of Directors' fees amounting to S\$180,000 for the financial year ending 31 March 2018, to be paid half-yearly in arrears		
3	Re-election of Mr Ng Siew Hoong as a Director of the Company		
4	Re-election of Mr Cheong Keng Chuan, Alfred as a Director of the Company		
5	Re-appointment of Nexia TS Public Accounting Corporation as Auditors of the Company and to authorise the Directors to fix their remuneration		
6	Authority to grant awards and issue shares pursuant to the Jubilee Share Award Scheme		
7	Renewal of Share Buyback Mandate		
8	Authority to issue and allot shares in the capital of the Company		
9	The proposed allotment and issue of 150,150,150 new ordinary shares in the capital of the Company to Mr Pek Hak Bin (the "Subscriber") at a subscription price of S\$0.0333 for each subscription share pursuant to the share placement agreement dated 29 June 2017 between the Company and the Subscriber		
10	The proposed change of controlling interest in the Company to the Subscriber pursuant to the Placement		
11	The proposed allotment and issue of 4,504,504 new ordinary shares in the capital of the Company to Mr Seah Chong Hoe (the "Introducer") at an issue price of S\$0.0333 per share in connection with the Placement		

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

Dated this _____ day of _____ 2017

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

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



Notes:

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

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 13 July 2017.

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 and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Corporate Information

JUBILEE INDUSTRIES HOLDINGS LTD.
Company Registration No. 200904797H

BOARD OF DIRECTORS

Terence Tea Yeok Kian
Non-Executive Chairman

Cheong Keng Chuan Alfred
Independent Director

Ng Siew Hoong
Independent Director

AUDIT COMMITTEE

Cheong Keng Chuan Alfred *Chairman*
Terence Tea Yeok Kian *Member*
Ng Siew Hoong *Member*

REMUNERATION COMMITTEE

Cheong Keng Chuan Alfred *Chairman*
Terence Tea Yeok Kian *Member*
Ng Siew Hoong *Member*

NOMINATING COMMITTEE

Ng Siew Hoong *Chairman*
Terence Tea Yeok Kian *Member*
Cheong Keng Chuan Alfred *Member*

JOINT COMPANY SECRETARIES

Wong Chuen Shya (Huang Chunxia)
(appointed on 21 February, 2017)
Sng Ee Lian
(appointed on 19 June, 2017)

REGISTERED OFFICE

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

CATALIST SPONSOR

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

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
100 Beach Road, #30-00 Shaw Tower
Singapore 189702
Director-in-Charge: Meriana Ang

SHARE REGISTRAR

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

PRINCIPAL BANKER

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

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

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



Jubilee Industries Holdings Ltd.
千禧业工艺控股公司

10 Ubi Crescent #03-94/95/96

Ubi Techpark Lobby E, Singapore 408564

Tel: (65) 6311 2968/6311 2969

Fax: (65) 6311 2905