Jubilee Industries Holdings Ltd.
千禧业科技公司

2019
ANNUAL REPORT

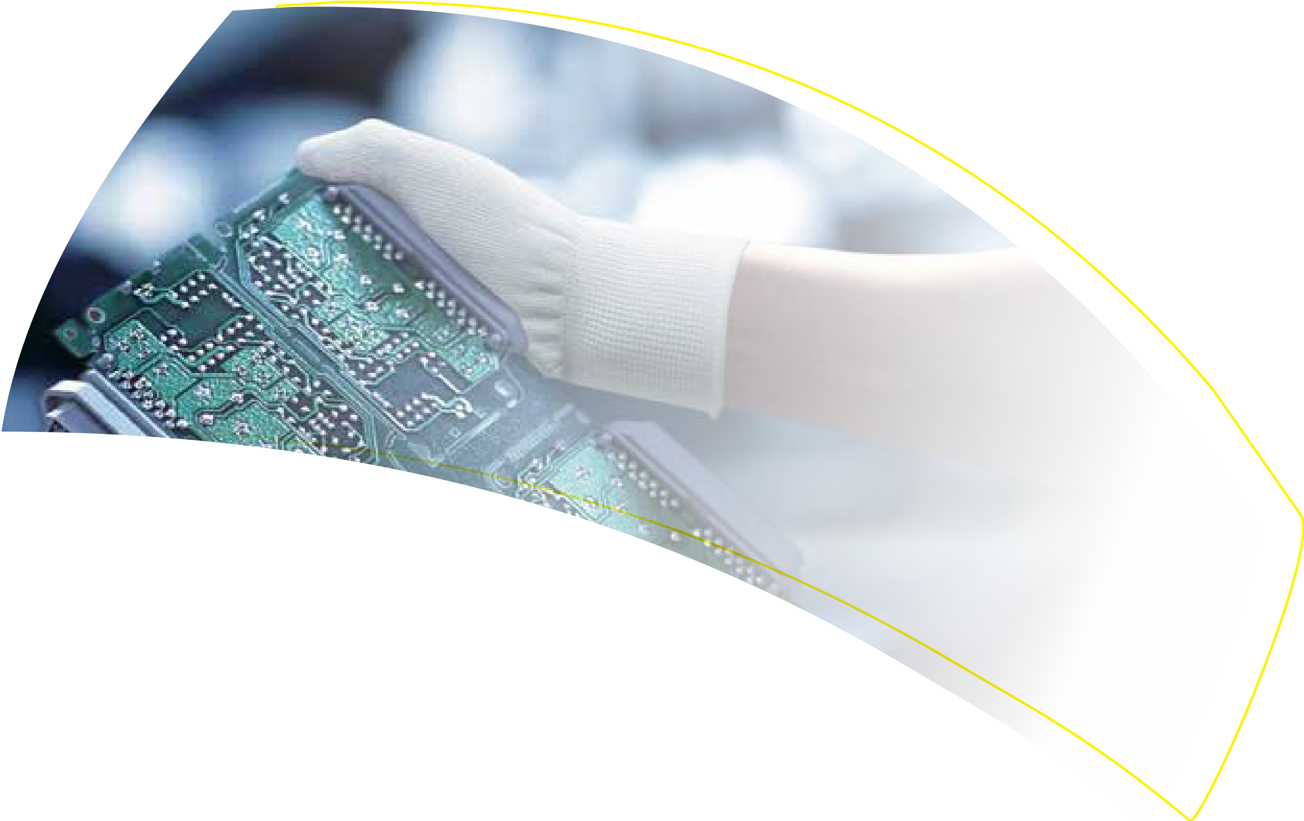
CONTENTS

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

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

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd.

Address: 9 Raffles Place #29-01 Republic Plaza Tower 1, Singapore 048619
Tel: 6381 6757



Moulding a Sustainable Future

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

CORPORATE PROFILE

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

1. Mechanical Business Unit ("MBU"), which engages primarily in precision plastic injection moulding ("PPIM") and mould design and fabrication ("MDF") services; and

2. Electronics Business Unit ("EBU"), which distributes integrated electronic components.

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

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

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

MBU: MOULD DESIGN AND FABRICATION BUSINESS

We produce plastic injection moulds for consumer electronics, household appliances, medical supplies, automotive and computer peripherals. MDF or "tooling" involves the design and fabrication of precision plastic injection moulds, a steel tool made up of many operating parts ("tooling inserts") assembled together, and subsequently used in PPIM or sold directly to customers. We believe that a good tool forms the heart of a good product. At Jubilee, we take pride in building a good tool from the design stage to the mould assembly. That is why we use state-of-the-art steel cutting equipment, such as the Sodick 3-axis machine. We believe that strong hardware and excellent skill sets are critical in every step to make tools that we can be proud of.

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

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

CORPORATE PROFILE

MBU: PRECISION PLASTIC INJECTION MOULDING BUSINESS

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

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

We have a wide range of machines ranging from 40 to 2,100 tonnes, ensuring that we have the right equipment to suit our customers' needs. Apart from mainstream plastic injection moulding machines, we also offer other specialty machines such as double-shot injection and vertical machines.

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

EBU: ELECTRONIC COMPONENTS DISTRIBUTION

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

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

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

CHAIRMAN'S MESSAGE

Dear Shareholders,

On behalf of Jubilee Industries Holdings Ltd. ("Jubilee" or the "Company", together with its subsidiary corporations, the "Group"), I am pleased to present the Group's latest annual report for the financial year ended 31 March 2019 ("FY2019").

UNLOCKING VALUE

We are pleased to report that the Group recorded improved results in the financial year under review, achieving a net profit of S$2.9 million for FY2019 which represents a more than three-fold increase as compared to the net profit of S$0.9 million recorded for FY2018.

Jubilee's revenue rose S$3.7 million or 2.3% from S$160.0 million for FY2018 to S$163.7 million for FY2019. This growth was mainly driven by Jubilee's Mechanical Business Unit ("MBU") which more than doubled its revenue from S$8.1 million for FY2018 to S$18.7 million for FY2019. The Group's recent acquisition of Honfoong Plastics Industries Pte. Ltd. ("HFPL") and its subsidiary corporation contributed S$10.2 million to MBU's revenue for FY2019.

The Group's gross profit increased by 68.4%, rising from S$7.6 million for FY2018 to S$12.8 million for FY2019, reflecting the significant improvements recorded by both Jubilee's MBU and Electronics Business Unit ("EBU"). MBU's gross profit increased by 72.7% from S$1.1 million for FY2018 to S$1.9 million for FY2019 while EBU's gross profit increased by 67.7% from S$6.5 million for FY2018 to S$10.9 million for FY2019.

The Group's gross profit margin improved from 4.8% for FY2018 to 7.8% for FY2019. In particular, EBU's gross profit margin increased from 4.3% for FY2018 to 7.5% for FY2019 due to its continued focus on higher margin product mix, effective procurement strategies and better management across logistics, manufacturing and distribution costs.

The Group's administrative expenses increased by S$0.9 million or 11.5% from S$7.8 million for FY2018 to S$8.7 million for FY2019. While the increase was mainly due to administrative expenses of S$1.1 million incurred by HFPL, Jubilee successfully decreased administrative expenses incurred by existing units across the Group by S$0.2 million through prudent management.

CHAIRMAN'S MESSAGE

Following the sustained turnaround, we remain focused on pursuing our target margins, higher volume of business and greater cost efficiencies in our operations.

BRIEF OVERVIEW OF FY2019

The Group's management team and the Board of Directors continue to be guided by the principles of integrity, commitment, innovation and customer trust as we work together to grow Jubilee's business to deliver sustainable long-term returns for shareholders.

The strategic involvement and continued support of the Group's controlling shareholder, Accrelist Ltd. ("Accrelist") has helped towards enabling Jubilee to sustain its turnaround. The Group has unlocked further value following the acquisition of HFPL which was successfully completed in July 2018. The acquisition of HFPL has also enabled the Group to mitigate potential concentration risk as Jubilee's production capabilities can now cater to the medical industry while its facilities span across Malaysia and Indonesia.

In line with the Group's strategy to pursue strategic alliances, Jubilee also increased its stake marginally in EG Industries Berhad ("EG Industries") from 13.46% as at 31 March 2018 to 13.96% as at 31 March 2019. EG Industries is one of the top 50 largest electronic manufacturing services companies in the world, enabling the Group to benefit from EG Industries' revenue and profit growth as well as realise business and operational synergies between both companies.

OUTLOOK AND FUTURE PLANS

The Group remains mindful of uncertainties in the global economic outlook amidst the ongoing trade tensions and we expect the operating environment to remain challenging going forward. Jubilee will continue to be vigilant on cost, credit, and cashflow management to deliver sustainable results and pursue continued expansion.

We will continue to monitor the market situation closely while the Group's EBU navigates the challenges of softer global demand for electronic components. The EBU's focus on improving gross profit margins has delivered commendable results and will continue to be a key focus for this segment. The EBU also continues to work closely with suppliers and customers to establish strategic partnerships to ensure we capture potential opportunities as the market strengthens in the future. Efforts are also underway to help the EBU ride the wave of growing demand for emerging technology, including 5G technology, internet of things, cloud computing and artificial intelligence.

Amidst the ongoing trade tensions, we are encouraged by strong customer interest and increased requests for quotations as customers consider alternative sources for their supply chain. The completion of Jubilee's acquisition of HFPL under the MBU has added significant capacity and capability to broaden the Group's revenue stream and customer base, including customers from across the automotive, consumables and medical industries. Moving forward, the MBU will focus its efforts on improving the utilisation of machines in Johor Bahru, Malaysia and Batam, Indonesia and lower manufacturing overheads to pursue growth while unlocking further value in this segment.

Following the acquisition of HFPL, Jubilee continues to actively seek new opportunities for expansion. We are currently in the midst of discussions with various parties on potential acquisitions and investments that will benefit the Group and deliver long-term returns.

Amidst the challenging industry outlook, we remain committed to prudent management as the Group moves ahead to pursue sustainable growth and unlock value for shareholders.

A NOTE OF APPRECIATION

I would like to take this opportunity to express my sincere gratitude to our valued shareholders, business partners and colleagues for their unrelenting support which has contributed to Jubilee's successful and sustained turnaround. Your confidence in the Group further motivates us to strive for even better results as we unlock growth for Jubilee's next phase of development.

Thank you.

Mr Terence Tea Yeok Kian
Non-Executive Chairman
Jubilee Industries Holdings Ltd.

主席献词

各位股东:

本人谨代表千禧业科技公司（ Jubilee Industries Holdings Ltd，以下简称 “千禧业” 或 “公司”，与旗下子公司合成 “集团” ）为股东奉上截至2019年3月31日财政年度（ “FY2019” ）的最新年度财务报告。

释放价值

集团本财年的业绩有所进步，FY2019净利从FY2018的90万元激增至290万元。

与FY2018取得的1亿6,000万元相比，千禧业的FY2019收入增加370万元或2.3%至1亿6,370万元，主要因为机械业务单位（ “MBU” ）的FY2019收入从FY2018的810万元激增至1,870万元。集团不久前收购的 Honfoong Plastics Industries私人有限公司（ “HFPL” ）在FY2019为MBU带来1,020万元的收入。

集团的FY2019毛利从FY2018的760万元增加68.4%至1,280万元，这反映出千禧业的MBU和电子业务单位（ “EBU” ）所取得的长足进步。MBU的FY2019毛利从FY2018的110万元增加72.7%至190万元，EBU的FY2019毛利则从FY2018的650万元增加67.7%至1,090万元。

集团的FY2019毛利率从FY2018的4.8%提高至7.8%。其中，EBU的FY2019毛利率从FY2018的4.3%上升至7.5%，原因是继续主攻高毛利产品组合、采购策略奏效及该部门更加妥善地管理物流、制造和分销成本。

集团的FY2019行政开支从FY2018的780万元增加90万元或11.5%至870万元，主要因为HFPL带来110万元的行政开支。但是，在谨慎的管理之下，千禧业成功地将集团既有业务单位的行政开支减少20万元。

主席献词

随着集团业务表现持续好转，我们将继续专注于使毛利率达到目标水平、增加业务量和提高营运活动的成本效益。

FY2019总体表现

集团的管理和董事局一直都秉持着正直、有诚信、创新和取信于客户的原则，通力合作发展千禧业的业务，以持续为股东带来长期价值。

在控股股东亚联盛控股公司（Accrelist Ltd.）的策略性参与和持续支持之下，在2018年7月成功收购HFPL之后，千禧业得以通过进一步释放其价值，令业务表现持续改善。收购HFPL也令集团纾缓了业务可能过于集中的风险，因为千禧业如今具备为医疗业者制造产品的能力，厂房分布在马来西亚和印度尼西亚。

千禧业也根据其策略联盟策略，将其在EG Industries Berhad（“EG工业”）的股权从截至2018年3月31日的13.46%增加至截至2019年3月31日的13.96%。EG工业是全世界提供电子制造服务的50大企业之一，通过增持股权，集团能凭借EG工业取得的收入和盈利增长而获益，两家公司也能在业务和营运方面相辅相成。

展望及未来计划

集团将继续留意贸易纠纷可能对全球经济前景带来的不确定因素。展望未来，我们预计集团的营运环境仍将充满挑战。千禧业将继续谨慎地管理成本、信贷和现金流，从而持续取得良好业绩和扩充业务。

我们将继续关注市场状况，而集团的EBU将设法应对全球电子元件需求走软所带来的挑战。EBU一直专注于提高毛利率，并取得了令人激赏的成果，这仍会是此部门的主要目标。EBU也会继续与供应商和客户密切合作，建立起策略性伙伴关系，从而确保我们能在市场转强时把握住潜在的商机。集团也在设法使EBU能把握住各种新兴科技所带来的需求，包括5G科技、物联网、云计算和人工智能。

尽管国际间贸易纠纷不断，但客户的需求保持殷切，询价的要求有所增加，因为客户都在考虑为供应链寻找替代货源。在千禧业收购HFPL并纳入MBU之后，集团的产能和实力大大提高，收入来源和客源随之增加，如今的客户涵盖汽车、消费品和医疗领域业者。展望未来，MBU将专注于提高HFPL的机器使用率，降低制造费用，在追求增长的同时进一步发挥这个部门的价值。

在收购HFPL之后，千禧业将继续积极地探寻拓展业务的新机会。我们正与多方针对可能进行的收购交易和投资计划进行商谈，这些计划将令集团受惠，并带来长期回报。

在业界前景充满挑战的情况下，我们仍将致力于谨慎地管理业务，令集团能够持续取得增长，同时为股东释放价值。

鸣谢

本人借此机会诚挚感谢我们尊贵的股东、商业伙伴和同事，千禧业能成功且持续复苏，都有赖于大家不懈的支持。您对集团的信心将进一步推动我们取得更好的业绩，在千禧业的下一个发展阶段持续取得增长。

谢谢。

郑耀犍
非执行主席
千禧业科技公司

OPERATIONS AND **FINANCIAL REVIEW**

The Group's gross profit improved by approximately S$5.2 million or 68.4% from S$7.6 million for FY2018 to S$12.8 million for FY2019.

OPERATIONS AND **FINANCIAL REVIEW**

FINANCIAL PERFORMANCE

For FY2019, the Group registered revenue of S$163.7 million, an increase of approximately S$3.7 million or 2.3% as compared to S$160.0 million recorded for FY2018.

Revenue from the Group's Mechanical Business Unit ("MBU") more than doubled from S$8.1 million for FY2018 to S$18.7 million for FY2019, an increase of approximately S$10.6 million. The increase in revenue was mainly attributed to the Group's recent acquisition of Honfoong Plastics Industries Pte. Ltd. ("HFPL") which contributed S$10.2 million in revenue for FY2019.

Meanwhile, revenue from the Group's Electronics Business Unit ("EBU") decreased by S$6.8 million or 4.5% from S$151.8 million for FY2018 to S$145.0 million for FY2019 due to softening demand for some of the Group's products amidst uncertainties in the technology sector arising from ongoing trade tensions.

The Group's cost of sales decreased by approximately S$1.4 million or 0.9% from S$152.3 million for FY2018 to S$150.9 million for FY2019. The decrease in cost of sales was the result of more effective procurement strategies, better supplier management for procurement leverage and leaner manufacturing and distribution costs.

The Group's gross profit improved by approximately S$5.2 million or 68.4% from S$7.6 million for FY2018 to S$12.8 million for FY2019. MBU's gross profit increased by S$0.8 million from S$1.1 million for FY2018 to S$1.9 million for FY2019, while EBU's gross profit increased from S$6.5 million for FY2018 to S$10.9 million for FY2019.

The Group's gross profit margin improved by 62.5%, rising from 4.8% for FY2018 to 7.8% for FY2019. MBU's gross profit margin decreased from 13.4% for FY2018 to 10.1% for FY2019 due to underutilisation of HFPL's machines and higher manufacturing overheads. EBU's gross profit margin improved from 4.3% for FY2018 to 7.5% for FY2019 as a result of the unit's focus on higher margin product mix, effective procurement strategies and better management across logistics, manufacturing and distribution costs.

For the financial year under review, the Group recorded other gains of S$0.9 million as compared to S$2.5 million for FY2018. The decrease was mainly due to the foreign exchange loss of S$0.1 million for FY2019, reversing the foreign exchange gain of S$2.3 million for FY2018, as well as a S$0.1 million loss on disposal of property, plant and equipment. This was partially offset by a gain from bargain purchase of S$1.1 million arising from the acquisition of HFPL.

Distribution and marketing expenses increased by approximately S$0.2 million or 16.7% from S$1.2 million for FY2018 to S$1.4 million for FY2019 mainly due to costs incurred by HFPL as a subsidiary of the Company and an increase in EBU's sales and marketing costs.

Administrative expenses increased by S$0.9 million or 11.5% from S$7.8 million for FY2018 to S$8.7 million for FY2019. The increase was mainly due to administrative expenses of S$1.1 million incurred by HFPL which was partially offset by a decrease of S$0.2 million in administrative expenses across the Group's other existing units.

The Group's finance expenses decreased by approximately S$0.1 million or 8.3% from S$1.2 million for FY2018 to S$1.1 million for FY2019. The decrease was due to a reduction in interest charges of S$0.5 million incurred by the Company for the direct loan due to Accrelist Ltd offset by an increase in charges of S$0.4 million incurred for export letters of credits and trust receipts financing in the EBU. The Group's tax expenses increased from S$4.0 thousand for FY2018 to S$0.5 million for FY2019 largely due to taxes paid by the Indonesian subsidiary of HFPL and provision for tax by EBU.

As a result of the above, the Group recorded a net profit of S$2.9 million for FY2019 as compared to S$0.9 million for FY2018, a more than three-fold increase.

FINANCIAL POSITION

The Group's current assets increased by approximately S$5.3 million or 8.8% from S$60.5 million as at 31 March 2018 to S$65.8 million as at 31 March 2019. This was due to an increase of S$3.5 million in trade and other receivables, an increase of S$5.2 million in inventories and an increase of S$0.6 million in other assets which were partially offset by a decrease of S$3.8 million in cash and cash equivalents and a disposal of some quoted Malaysian securities of S$0.2 million. The S$3.5 million increase in trade and other receivables was due to customers seeking longer payment terms and the increase in MBU's revenue.

Non-current assets increased by S$7.0 million or 50.0% from S$14.0 million as at 31 March 2018 to S$21.0 million as at 31 March 2019. This was largely due to an increase of S$6.6 million in property, plant and equipment from the acquisition of HFPL and its Indonesian subsidiary which was partially offset by S$0.5 million due to amortisation in intangible assets. In addition, the rise in non-current assets was also due to the S$1.1 million increase in investment in EG Industries Berhad ("EG Industries"), an associated company, arising from the purchase of shares, share of profits and other comprehensive income of EG Industries offset by a fair value loss recognised in other comprehensive income of $0.2 million from quoted securities in Malaysia.

OPERATIONS AND FINANCIAL REVIEW

Current liabilities increased by approximately S$5.7 million or 14.6% from S$39.1 million as at 31 March 2018 to S$44.8 million as at 31 March 2019. The rise was due to a S$13.7 million increase in borrowings from S$5.0 million as at 31 March 2018 to S$18.7 million as at 31 March 2019 arising from drawdown of borrowings of S$12.8 million to support the growth and expansion of the Group and S$0.9 million from Accrelist Ltd, the ultimate holding corporation of the Company. Trade and other payables decreased by S$8.3 million from S$34.1 million as at 31 March 2018 to S$25.8 million as at 31 March 2019.

Non-current liabilities decreased by S$0.7 million from S$0.9 million as at 31 March 2018 to S$0.2 million as at 31 March 2019. The decrease of S$0.9 million is the balance of the direct loan owing to Accrelist Ltd. being reclassified to current liabilities as it reached the end of the three-year tenure offset by an increase of S$0.1 million of deferred tax liabilities.

As a result of the above, the Group's net assets increased by S$7.4 million or 21.4% from S$34.5 million as at 31 March 2018 to S$41.9 million as at 31 March 2019.

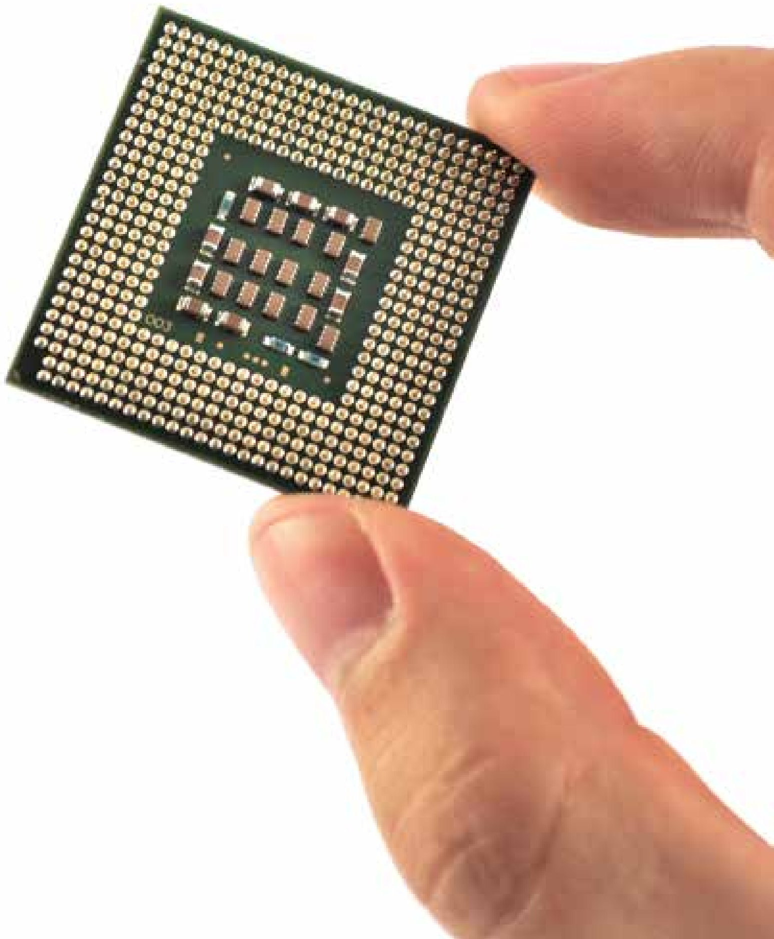
CASH FLOW STATEMENT

Net cash used in operating activities for FY2019 was S$13.2 million, comprising an operating gain before working capital changes of S$4.5 million and a working capital outflow of S$17.4 million. The working capital outflow was mainly due to an increase in trade and other receivables of S$0.9 million, an increase in other current assets of S$0.2 million, an increase in inventories of S$3.9 million, as well as a decrease in trade and other payables of S$12.4 million.

Net cash used in investing activities of S$2.3 million was mainly due to additional investment in an associated company of S$0.3 million, cash outflows for acquisition of HFPL and its Indonesian subsidiary of S$1.5 million and acquisition of additional property, plant and equipment of S$0.6 million. These were partially offset by proceeds arising from disposal of financial assets, interest and dividends of total S$0.1 million.

The net cash generated from financing activities of S$11.7 million was mainly due to drawdown of short-term bank borrowings and bank margin facilities totalling to S$11.0 million and a withdrawal of bank deposits of S$1.7 million pledged to secure a short-term facility to support the business growth and expansion of the Group offset by interest paid on loans and finance lease liabilities of S$1.0 million.

As a result of the above, the Group's cash and cash equivalents declined from S$6.4 million as at 31 March 2018 to S$2.6 million as at 31 March 2019.



MILESTONES

2015

- Acquired WE Components, an electronic components distributor. This gave Jubilee the ability to provide one-stop solutions to the electronics manufacturing industry

2016

- Jubilee restructured its shareholder loan of US$16 million from Accrelist to manage its working capital requirements

2017

- Accrelist converted shareholder loan into shares of Jubilee, increasing its shareholding to 71.89%
- Company went through a period of restructuring and rebuilding led by Terence Tea

2018

- Turnaround in FY2018 with net profit of S$0.9 million
- Company restructured into two units: Mechanical Business Unit (MBU) and Electronics Business Unit (EBU)
- Reshifted its focus on legacy Mould Design & Fabrication Business

2019

- Sustained turnaround with net profit tripling to $2.9 million
- Acquired Honfoong Plastics Industries Pte Ltd to strengthen MBU
- Plastic Injection Moulding business made its foray into in-demand medical industry

BOARD OF DIRECTORS

MR TERENCE TEA YEOK KIAN, 51

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: 26 July 2018
Length of service (as at 31 March 2019): 4 years 9 months

Served on the following Board Committees:

- 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)
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:

Mr Terence Tea Yeok Kian ("Mr Tea") is the Non-executive Chairman of the Group. He brings to the Group a wealth of experience in the corporate world, providing key inputs to the Board and has been instrumental in advising on corporate matters such as mergers, acquisitions and other strategic matters that saw profit surge in FY2019.

Mr Tea is also the Chairman of major shareholder Accrelist Ltd.. He had earlier performed a masterstroke by providing a shareholder loan of US$16 million to the Group in a move that saw Jubilee Industries owning a 100%-stake in WE Components - an electronics components distribution entity. The acquisition of WE Components Pte Ltd from Accrelist Ltd. is one of the key reasons for the robust performance of Jubilee' sprofitability. WE Components Pte Ltd is now the Electronics Business Unit (EBU) – a key pillar – of Jubilee.

Having been in the electronics industry for some 30 years, his in-depth knowledge of the industry has helped the Group spot growth opportunities during the restructuring period from 2013 to 2017 and beyond. The results have shown that his leadership is important to the Group.

Mr Tea, in 2004, listed a PCB testing company on the former SES-SESDAQ before upgrading its listing status to the Mainboard in a mere three years. While he met with difficulties that are well-documented, he has made a strong comeback and his tenacity is shown in the manner that he turned both Accrelist Ltd. and Jubilee into profitable companies that will continue to grow.

Mr Tea is also an honorary patron of the Nee Soon East Constituency, Sembawang Citizen's Consultative Committee and Singapore Productivity Association, as well as a council member of the Singapore Hokkien Huay Kuan and Chairman of Eng Yong Tong Tay Si Association. In addition, Mr Tea serves as the Vice President of the Association of Catalist Companies, a non-profit organisation which draws its membership primarily from companies listed on the Catalist board of the Singapore Exchange. 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 was the Singapore Small Medium Business Association TOP Entrepreneur of 2015. Mr Tea was also conferred the title of a Dato in 2018.

BOARD OF DIRECTORS

MR CHEONG KENG CHUAN, ALFRED, 50

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: 28 July 2017
Length of service (as at 31 March 2019): 2 year 9 months

Served on the following Board Committees:
- Chairman – Audit Committee
- Chairman – Remuneration Committee
- Member - Nominating Committee

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

Background and experience:

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 NG SIEW HOONG, LINUS, 48

Independent Non-Executive Director

Academic and professional qualifications
Bachelor of Laws (Hons.) Degree, University of London
Member of the Singapore Academy of Law and Law Society of Singapore.
Barrister from Middle Temple, UK
Member of the Singapore Institute of Directors

Date of first appointment as director: 5 August 2016
Date of last re-election as director: 28 July 2017
Length of service (as at 31 March 2019): 2 year 7 months

Served on the following Board Committees:
- Chairman – Nominating Committee
- Member – Audit Committee
- Member - Remuneration Committee

Present Directorships in other listed companies
Nil

Present Principal Commitments
Partner - Donaldson & Burkinshaw LLP

Directorships in other listed companies held over the preceding three years
Advance SCT Limited

Background and experience:

Mr Ng Siew Hoong, Linus ("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 (local and international). 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

Ms Sng Ee Lian, Eliane

Group Financial Controller and Joint Company Secretary

Ms Sng Ee Lian, Eliane ("Ms Sng") is the Group Financial Controller and Joint Company Secretary. She heads the finance department for the daily finance functions of the Group. Ms Sng is a senior executive with more than 17 years of work experience in finance, public accounting, administration and costing in electronics contract manufacturing and wholesale electronics distribution industries. She held the position of Group Finance Manager of the Plexus Group and was a Senior Corporate Finance Controller with ACT Manufacturing Inc, a company then listed on NASDAQ.

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

Ms Serene Tea Lay Sin

Senior Vice President, Mechanical Business Unit (MBU)

Ms Serene Tea Lay Sin ("Ms Tea") began her career at a family-run corporation engaged in the operation of special vehicles that focus on niche delivery services for key blue-chip customers such as Singapore Technologies. Ms Tea rose through the ranks to become the Director of Sales and Operations.

Ms Tea joined Accrelist Ltd. in October 2013 as the Head of Human Resources. Through her capability and versatility, she was seconded to Jubilee to run the Malaysian subsidiary, WE Total Engineering Sdn Bhd. Ms Tea was instrumental in engineering a turnaround of the subsidiary.

Ms Natasha Nadia Teh

Vice President, Business Development & Project Management

Ms Natasha Nadia Teh ("Ms Teh") joined the Group as our Business Development Director with WE Total Engineering Sdn Bhd in August 2017.

Ms Teh is responsible for implementing strategic directions for the Group's business development and is responsible for expansion of the Mechanical Business Unit (MBU). Ms Teh has more than 13 years of business experience in the plastic moulding industries, of which 8 years were spent holding senior management positions with various companies.

Ms Teh holds a Bachelor in Business Administration degree from RMIT University, Australia.

CORPORATE MANAGEMENT

Mr Lee Sang Sup

Senior Vice President, Electronics Business Unit (EBU)

Mr Lee Sang Sup ("Mr Lee") joined the Group as Senior Vice President of WE Components Pte. Ltd. on 1 March 2018, heading the EBU for its business operations including, but not limited to, sales and marketing activities of the unit.

Mr Lee has more than 20 years of experience in the semiconductor industry in Asia holding key positions in sales and marketing roles with organisations such as SK Hynix - a global leader in the semiconductor market.

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

Mr Quek Ser Chew, Randall

Vice President, Products & Operations

Mr Quek Ser Chew, Randall ("Mr Quek") was appointed as Vice President of Products and Operations since November 2017.

Mr Quek began his career as a Field Application Engineer in a semiconductor distribution company. He has served in a wide variety of positions with leading semiconductors organisations over the past 20 years, including Samsung.

Mr Quek holds a Bachelor Degree in Electrical & Electronic Engineering from Nanyang Technological University, Singapore.

Mr Kim Jin Geon, Rex

Vice President, Sales & Marketing

Mr Kim Jin Geon, Rex ("Mr Kim"), is the Vice President of Sales & Marketing helming the team at WE Components Pte. Ltd. ("WE Components"). He joined WE Components Pte Ltd in January 2016 as a Product Manager and was promoted to Vice President of Sales and Marketing in November 2017. He is responsible for the full spectrum of sales and marketing, managing our sales offices locally as well as overseas.

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

CORPORATE DIRECTORY

SINGAPORE

Jubilee Industries Holdings Ltd. (Head Office)
10 Ubi Crescent #03-94/95/96
Ubi Techpark Lobby E
Singapore 408564
Tel: (65) 6311 2968/6311 2969
Fax: (65) 6311 2905

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

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

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

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

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

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

MALAYSIA

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

PENANG
WE Components (Penang) Sdn. Bhd.
62-1 Persiaran Bayan Indah Bayan Bay
Sungai Nibong Penang 11900
Tel: (604) 646 9888
Fax: (604) 646 9298

PEOPLE'S REPUBLIC OF CHINA

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

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

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

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

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

INDIA

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

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

INDONESIA

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

PT HonFoong Plastic Industries
Jalan Gaharu, Lot 232, 233 & 247
Batamindo Industrial Park,
Mukakuning, Batam
Indonesia
Tel: (62) 611448
Fax: (62) 611260

THAILAND

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

VIETNAM

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

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The board of Directors (the "Board") 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 2019 ("FY2019") with specific reference made to the principles and guidelines of 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 Group has complied with the principles of the Code where appropriate. In so far as any principles and/or guideline has not been complied with, the reason has been provided.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance (the "2018 Code") and accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and will apply to annual reports covering financial years from 1 January 2019. The Company will review and set out the corporate practices in place to comply with the 2018 Code, where appropriate, in the next Annual Report.

BOARD MATTERS

Principle 1: The Board's Conduct of its Affairs

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

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

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

CORPORATE GOVERNANCE REPORT

- identification of key stakeholder groups and recognise that their perceptions affect the company's reputation;
- setting the Company's values and standards (including ethical standards), and ensures that obligations to shareholders and other stakeholders are understood and met; and
- consideration of sustainability issues as part of its strategic formulation.

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

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

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

All Directors exercise due diligence and independent judgement in dealing with the business affairs and make decisions objectively to discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Group.

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	Independent Director	Chairman	Member	Chairman
3	Mr Ng Siew Hoong, Linus	Independent Director	Member	Chairman	Member

Board meetings are held on a regular basis to oversee the business affairs of the Group and approve any financial or business strategies or objectives. Additional Board and Board Committees meetings may be held to address significant transactions or issues as and when required. Telephonic attendance and conference via audio communication at Board meetings are allowed under the Company's Constitution. The Board and Board Committees may also make decisions through circulating resolutions.

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

Name	Board		Audit Committee		Remuneration Committee		Nominating Committee	
	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended	No. of meetings held	No. of meetings attended
Mr Terence Tea Yeok Kian	4	4	4	4	4	4	4	4
Mr Cheong Keng Chuan, Alfred	4	4	4	4	4	4	4	4
Mr Ng Siew Hoong, Linus	4	3	4	3	4	3	4	3

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 FY2019, 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 FY2019 included: -

- the Management updated the Board at each meeting on business and strategic developments pertaining to the Group's business.

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

Newly appointed directors will be provided with a formal letter setting out their duties and obligations. There was no new appointment in FY2019.

Principle 2: Board Composition and Guidance

As at the date of this report, the Board has 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, Linus	Independent Director

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

The NC has reviewed the completed forms and concurred on the independence status of the two 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.

CORPORATE GOVERNANCE REPORT

The Board and its Board Committees comprise Directors who as a group provide an appropriate balance and diversity of skills, experience, and knowledge of the Company and the Group with core competencies in accounting, legal framework, business experience, and industry knowledge. At meetings of the Board and Board Committees, the Independent Directors endeavor to constructively challenge and help develop proposals on strategy and to review the performance of Management in meeting goals and objectives. Key issues and strategies, challenges arising from the changes in the evolving competitive landscape are critically examined, taking into consideration the long-term interests of the Group and its shareholders. To facilitate a more effective check on Management, the 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 current size of the Board is appropriate in facilitating effective decision making.

Key information of Directors is set out in pages 12 to 13 of this Annual Report.

Principle 3: Chairman and Chief Executive Officer

There is a distinct separation of responsibilities between the Chairman and the Chief Executive Officer ("CEO") which ensures that there is an appropriate balance of power and authority, increased accountability and greater capacity of the Board in terms of independent decision-making.

The Non-Executive Chairman of the Company is Mr Terence Tea Yeok Kian, who leads the Board and is responsible for the effective working of the Board.

The Chairman's responsibilities include: -

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

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

Currently, the position of the CEO is vacant as the Company is in the process of an executive search for a suitable candidate. The Chairman is presently covering the position in the interim.

Pursuant to Guideline 3.3 of the Code, as the Chairman is non-independent, 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.

CORPORATE GOVERNANCE REPORT

The Independent Directors are encouraged to meet periodically without the presence of the executives 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, Linus	Independent Director	(Chairman)
Mr Terence Tea Yeok Kian	Non-Executive Chairman	(Member)
Mr Cheong Keng Chuan, Alfred	Independent Director	(Member)

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

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

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

The role of the NC also includes the responsibilities of reviewing the re-nomination of Directors who retire by rotation, taking into consideration the Director's integrity, independence, mindedness, contribution and performance. Pursuant to the Company's Constitution, all Directors must submit themselves for re-election at the Annual General Meeting ("AGM") at least once every three years and all Directors appointed during the financial year shall retire at the next AGM. Retiring Directors are eligible for re-election. Each member of the NC shall abstain from voting on any resolutions in respect to his re-nomination as a Director.

CORPORATE GOVERNANCE REPORT

The NC has recommended the nomination of Mr Ng Siew Hoong, Linus ("Mr Ng") who would be retiring pursuant to Regulation 89 of the Company's Constitution for re-election at the forthcoming AGM to be held on 26 July 2019. In making the recommendations, the NC had considered Mr Ng's overall contribution and performance. The recommendation of the aforesaid nomination has been accepted by the Board. Mr Ng will, upon re-election as a Director, remain as the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees. Key information on Mr Ng Siew Hoong, Linus, who is eligible and offers himself for re-election at the forthcoming AGM pursuant to Rule 720(5) of the Catalist Rules, is set out below. Further details of Mr Ng Siew Hoong, Linus are disclosed in the Directors' Profile on page 13 of this Annual Report.

Name of Director	Ng Siew Hoong, Linus
Date of appointment	5 August 2016
Date of last re-appointment (if applicable)	28 July 2017
Age	48
Country of principal residence	Singapore
The Board's comments on the NC's recommendation for re-election	**After reviewing the recommendations made by the NC, the Board is of the view that based on Mr Ng's performance and overall contribution as an Independent Director of the Company, he will continue to contribute positively and significantly to the Company.**
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title	Independent Director, Chairman of Nominating Committee and member of Audit and Remuneration Committees
Professional qualifications	Bachelor of Laws (Hons) Degree, University of London
Working experience and occupation(s) during the past 10 years	2006 to 2011- Partner of Robert Wang & Woo Partners 2011 to 2011 – Partner of Harry Elias Partnership 2012 to 2014 – Director of Clasis LLC 2014 to 2017 – Partner of Robert Wang & Woo LLP 2017 to 2019 – Partner of Donaldson & Burkinshaw LLP
Shareholding interest in the listed issuer and its subsidiary corporations	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiary corporations	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes

CORPORATE GOVERNANCE REPORT

Other Principal Commitments Including Directorships	**Other Principal Commitment:** • Partner of Donaldson & Burkinshaw LLP **Present Directorship:** • Mercy Relief Limited • Nexus Diagnostic Pte. Ltd. **Past Directorship (for the past 5 years):** • Advance SCT Limited
Any prior experience as a director of an issuer listed on the Exchange?	Yes
If yes, please provide details of prior experience.	Independent Director of Advance SCT Limited
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a listed issuer as prescribed by the Exchange.	N.A.
Please provide details of relevant experience and the NC's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	N.A.

Mr Ng had responded negative to items (a) to (k) listed in Appendix 7F of the Catalist Rules.

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

The NC is also responsible for determining annually, the independence of Directors. In doing so, the NC takes into account the definition and criteria set forth in Guidelines 2.3 and 2.4 of the Code and any other salient factors. The Independent Directors, namely Mr Ng Siew Hoong, Linus and Mr Cheong Keng Chuan, Alfred, have confirmed that they do not have any relationship with the Company, its related companies, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent business judgement with a view to the best interests of the Company. The NC has reviewed and determined that the said Directors are independent.

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

There is no alternate director on the Board.

Key information regarding the Directors, including their present and past three years' directorships in other listed companies and principal commitments are set out on page 12 to 13 and below: -

CORPORATE GOVERNANCE REPORT

Name of Director	Board Membership	Date of appointment	Date of last re-appointment	Directorships in other listed companies		Principal Commitments
				Current	Past three years	Current
Terence Tea Yeok Kian	Non-Executive Chairman	30 June 2014	26 July 2018	Accrelist Ltd. EG Industries Bhd (a company listed on Bursa Malaysia)	–	Accrelist Ltd. Accrelist Medical Aesthetics (BM) Pte. Ltd. Accrelist Medical Aesthetics (LOT1) Pte. Ltd. Accrelist Medical Aesthetics (SPC) Pte. Ltd. Accrelist Medical Aesthetics (TPY) Pte. Ltd. ACCRELIST A.I. Tech Pte. Ltd. (F.K.A. WE9Pay Pte. Ltd.)
Cheong Keng Chuan, Alfred	Independent Director	23 June 2016	28 July 2017	China Hongxing Sports Limited	China Flexible Packaging Holdings Limited C&G Environmental Protection Holdings Limited Debao Property Development Ltd	Deputy Managing Partner, Crowe Horwath First Trust LLP
Ng Siew Hoong, Linus	Independent Director	5 August 2016	28 July 2017 (Due for re-election 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 was engaged for the purpose of Board assessment in FY2019. Following the review of FY2019, the Board is of the view that the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.

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 when considering the re-election of any Director, the NC considers, amongst others, the attendance and participation at Board and Board Committees meetings, his qualification, experience and expertise, the time and effort dedicated to the Group's business and affairs including the Management's access to the Directors for guidance or exchange of views as and when necessary. The Chairman of the Board would act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of Directors, in consultation with the NC.

CORPORATE GOVERNANCE REPORT

Principle 6: Access to Information

The Company recognises the importance of continual dissemination of relevant information which is explicit, accurate, timely and vital to the Board in carrying out its duties. As such, the Board expects the Management to report the Company's progress and drawbacks in meeting its strategic business objectives or financial targets and other information relevant to the strategic issues encountered by the Company in a timely and accurate manner. The Board papers prepared for each meeting are circulated in advance of each meeting. This gives Directors sufficient time to review and consider the matters to be discussed so that discussions can be more meaningful and productive. Directors are also informed on a regular basis as and when there are any significant developments or events relating to the Group's business operations.

In performing its duties, the Board has unrestricted access to the Company's Management, Company Secretaries and 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 (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 Chairman	(Member)
Mr Ng Siew Hoong, Linus	Independent Director	(Member)

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

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

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

In setting remuneration packages, the Company takes into account pay and employment conditions within the same industry and in comparable companies, as well as the Group's relative performance and the performance of individual Directors and Executives. No remuneration consultants were engaged by the Company during FY2019.

The Non-Executive and 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 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.

CORPORATE GOVERNANCE REPORT

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

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 a breakdown, showing the level and mix of each director's remuneration in bands of S$250,000 for FY2019: -

Name of Director	Remuneration Band	Salary	Bonus	Fringe Benefits	Director's fees[(1)]	Total remuneration
		%	%	%	%	%
Terence Tea Yeok Kian	Less than S$250,000	0	0	0	100	100
Cheong Keng Chuan, Alfred	Less than S$250,000	0	0	0	100	100
Ng Siew Hoong, Linus	Less than S$250,000	0	0	0	100	100

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

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) for FY2019: -

Name of Key Management Personnel	Salary	Bonus	Fringe benefits	Total remuneration
	%	%	%	%
Above S$500,000 and below S$750,000				
Lee Sang Sup	83	0	17	100
Less than S$250,000				
Sng Ee Lian Eliane	91	8	1	100
Rex Kim Jin Geon	68	12	20	100
Kwek Swee Leng Jonathan[(1)]	61	0	39	100
Randall Quek	86	0	14	100
Natasha Nadia Teh	77	4	19	100
Serene Tea Lay Sin	79	9	12	100

(1) Mr. Kwek Swee Leng Jonathan had resigned on 15 June 2018

CORPORATE GOVERNANCE REPORT

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 FY2019. 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". No shares have been granted to the employees and Directors during FY2019. Information on the Jubilee Share Award Scheme is set out in the Directors' Statement.

The remuneration packages and the compensation structure of the Key Management Personnel 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 Board.

The Board reviews and approves the half year and/or full year financial results announcements as well as any announcements before their release via the SGXNET and the media. Shareholders are provided with the half year and full year results and annual financial reports on a timely manner. In presenting the annual financial statements and half year 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, financial 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 the Management seeks the Board's approval for such reports or requirements.

In compliance with the Catalist Rules, the Board provides a negative assurance statement to the Shareholders in its half year 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.

Management provides the Board with management accounts and such explanation and information on a timely basis and also as and when 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 internal controls systems are in place, including those covering financial, operational, compliance and information technology risks and risk management system.

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 information technology risks and risk management policies and systems. The AC assists the Board in providing oversight of risk management in the Company. It is responsible for reviewing the adequacy and effectiveness of the Group's risk management systems and internal controls and reporting to the Board annually its observations and on any matters under its purview as well as, where necessary, making recommendations to the Board as it deems fit.

CORPORATE GOVERNANCE REPORT

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

The Management has taken note of the recommendations made by the internal auditor 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 Non-Executive Chairman and GFC:

- 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
- regarding the effectiveness of the Company's risk management and internal control systems.

Based on the work performed by the internal auditor during the financial year and the assurance from the Non-Executive Chairman and GFC, the Board, with the concurrence of the AC, is of the opinion that the system of internal controls and risk management in place as at 31 March 2019 is adequate and effective to address the financial, operational, compliance and information technology risks and risk management system for the type and volume of business that the Group currently operates. The system of internal controls and risk management established by the Group provides reasonable, 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 are reported to the AC.

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

Principle 12: Audit Committee
Principle 13: Internal Audit

As at the date of this report, the AC comprises 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 Chairman	(Member)
Mr Ng Siew Hoong, Linus	Independent Director	(Member)

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

- review with the independent/internal auditors the audit plans, their evaluation of the system of internal controls, and their audit report including the scope and results of the external/internal audit, the independence and objectivity of the independent/internal auditors;
- review the financial statements including reviewing the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance and position, before submission to the Board for approval;
- review the internal control procedures, its scope and the results and to ensure co-ordination between the independent/internal auditors and the Management; and review the assistance given by Management to the independent/internal auditors, and discuss problems and concerns, if any, arising from the audits;

- review and report to the Board at least annually the adequacy and effectiveness of the Company's internal controls;
- review the effectiveness of the Company's internal audit function;
- review and discuss with the independent auditor any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the Management's response;
- make recommendation to the Board on the proposals to the shareholders on the appointment, re-appointment and removal of the independent/internal auditors;
- review interested person transactions (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- review potential conflicts of interest, if any;
- undertake such other review and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and which requires the attention of the AC; and
- 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 Board considers Mr Cheong Keng Chuan, Alfred, who has practical financial management knowledge and experience, well qualified to chair the AC. The Board is satisfied that the AC members, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities.

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

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

The AC meets the independent auditor, 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 auditor. 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 compliance services provided by the independent auditor, Nexia TS Public Accounting Corporation, to the Group and is satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the independent auditor. The Company is in compliance with Rules 712 and 715 of the Catalist Rules in relation to its appointment of independent auditor. Accordingly, the AC has recommended that Nexia TS Public Accounting Corporation be nominated for re-appointment as the independent auditor for the ensuing financial year at the forthcoming AGM of the Company.

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

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

CORPORATE GOVERNANCE REPORT

The AC has outsourced the performance of the internal audit functions of the Group to Deloitte Enterprise Risk Services Sdn. Bhd. The internal auditor will report directly to the AC and administratively to the Non-Executive Chairman of the Company. To ensure the adequacy of the internal audit function, the AC had reviewed and approved the internal audit plan before the internal audit commenced. The AC, on an annual basis, will assess the adequacy and effectiveness of the internal audit and the internal auditors' independence, the qualification and experiences of the internal audit team assigned and the internal auditors' reports and its relationship with the independent auditor.

The internal audit work carried out in FY2019 was guided by the International Standards for the Professional Practice of Internal Auditing ("IIA Standards") laid down in the International Professional Practices Framework issued by the Institute of Internal Auditors.

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

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

The AC meets regularly with the Management and both independent and internal auditors to review auditing and risk management matters and discuss accounting implications of any major transactions including significant financial reporting issues. It also reviews the internal audit program of the Group to ensure that an effective system of control is maintained in the Group to align it to the changing needs and risk profile of the Group's activities. On a 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 the Audit Committee is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The AC is kept abreast by the Management, the independent auditor and the Company's Secretaries of changes to accounting standards, Catalist Rules and other regulations which would have an impact on the Group's business and financial statements.

Principle 14: Shareholder Rights
Principle 15: Communication with Shareholders

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

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

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

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.

CORPORATE GOVERNANCE REPORT

A Relevant Intermediary[1] 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 and is made through annual reports that are prepared and issued to all shareholders, quarterly results announcements, press releases and disclosures to the SGX-ST via SGXNET. The Company's Annual Report is sent to all Shareholders and made available to other investors on request. The Company's Annual Report is also accessible through the Company's website.

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

The Chairman of the respective 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.

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

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

<u>Dividend Policy</u>

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

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

No dividend was proposed in respect of FY2019 as the Company needs to conserve its cash and strengthen its financial position as the Company requires the funds for its working capital needs.

---

1 A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act (Cap. 289) and who holds shares in that capacity; or

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

CORPORATE GOVERNANCE REPORT

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. The notice of general meeting is announced through SGXNET and published in the newspapers within the same period.

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

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

All Directors, Management, Company Secretaries, independent auditor and legal advisors (if necessary), attend the general meetings. The general meeting provides shareholders the opportunity to ask questions relating to each resolution tabled for approval and is the appropriate platform for open communication for the shareholders to engage with the Directors on their views on matters relating to the Group and its operations. All resolutions tabled at general meetings are decided by poll. Shareholders will be briefed on the rules, including poll voting procedures. The Company announces the results of the poll with detailed disclosure on the number of votes cast for and against each resolution and the respective percentage for each resolution tabled at the general meetings. The poll results are also announced via SGXNET after the meetings.

The Company prepares minutes of general meetings incorporating the substantial and relevant comments or queries from shareholders relating to the agenda of the meetings and responses from the Board and Management. Such minutes are made available to Shareholders upon their request.

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

Dealings in Securities

The Company has adopted its own internal compliance code and the best practices guide in line with Rule 1204(19) of the Catalist Rules with regards to dealing in the Company's securities by the Directors and officers. The Company, Directors, Management and officers of the Group who have access to price-sensitive, financial or confidential information are prohibited from dealing in the Company's securities during the periods commencing one month before the half-year and full-year financial results and ending on the day of the announcement, or when they are in possession of 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 and are expected to observe insider trading laws at all times.

INTERESTED PERSON TRANSACTIONS

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

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

There was no interested person transaction greater than S$100,000 for FY2019. The Group does not have a general mandate from its shareholders for interested person transactions.

CORPORATE GOVERNANCE REPORT

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 2019 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 FY2019.

AUDIT/NON-AUDIT FEES

As at 31 March 2019, the Company paid S$152,263 to Nexia TS Public Accounting Corporation for its statutory audit services and S$19,866 for the non-audit services provided by Nexia TS Tax Services Pte. Ltd. for the financial year under review.

USE OF PROCEEDS FROM RIGHTS CUM WARRANTS ISSUE

As at 31 March 2019, the net proceeds of S$966,418 raised from the renounceable non-underwritten rights cum warrants issue completed on 2 March 2018 had been utilised as follows:

	Amount allocated S$'000	**Amount utilised S$'000**	**Balance S$'000**
General working capital	386	386	–
Merger and Acquisition Activities	290	290	–
Machine Capacity Expansion	290	290	–
Total	**966**	**966**	**–**

SUSTAINABILITY REPORT

2019

Sustainability Report

SUSTAINABILITY REPORT

Board Statement on Sustainability

Jubilee Industries Holdings Ltd. and its subsidiary corporations ("**Jubilee**" or the "**Group**" or **"We"**) are pleased to share our second Sustainability Report which documents our growth while being mindful of the importance of managing the Group's environmental, social and governance ("ESG") performance for FY2019. We believe that establishing good corporate governance and a risk management process that includes the assessment of ESG issues are essential for the Group. This approach not only helps to identify areas for further improvement and mitigate risks, but also identify opportunities for sustainable growth in relation to our growth strategy.

We have zero tolerance to bribery and corruption and we are committed to acting transparently and to conduct our business in an ethical manner such that we have put in place policies like our whistleblowing policy to safeguard our shareholders' interest.

We recognise that our business and actions have an impact on our stakeholders, from employees, suppliers to shareholders, and we thrive to attain long-term benefits and sustainability in every aspect of our operations. Meanwhile, we do not forget our duty as a responsible corporate citizen, and we continue to contribute to our community and protect our environment.

We believe that building a sustainable business is vital to our continuous growth and success. We acknowledge that we must be accountable for our impact on the environment, our customers, our people and our community as well. Therefore, we aim to create new jobs for local communities in countries where we operate in, and we will continue to ensure that sustainable practices are incorporated into every link of our local supply chain.

As we recognise the importance of sustainability, we will work together to manage and monitor ESG matters that are material to our business and stakeholders. We hope that this report will aid in furthering our efforts towards sustainability as we continue to refine our management of sustainability efforts in the coming years.

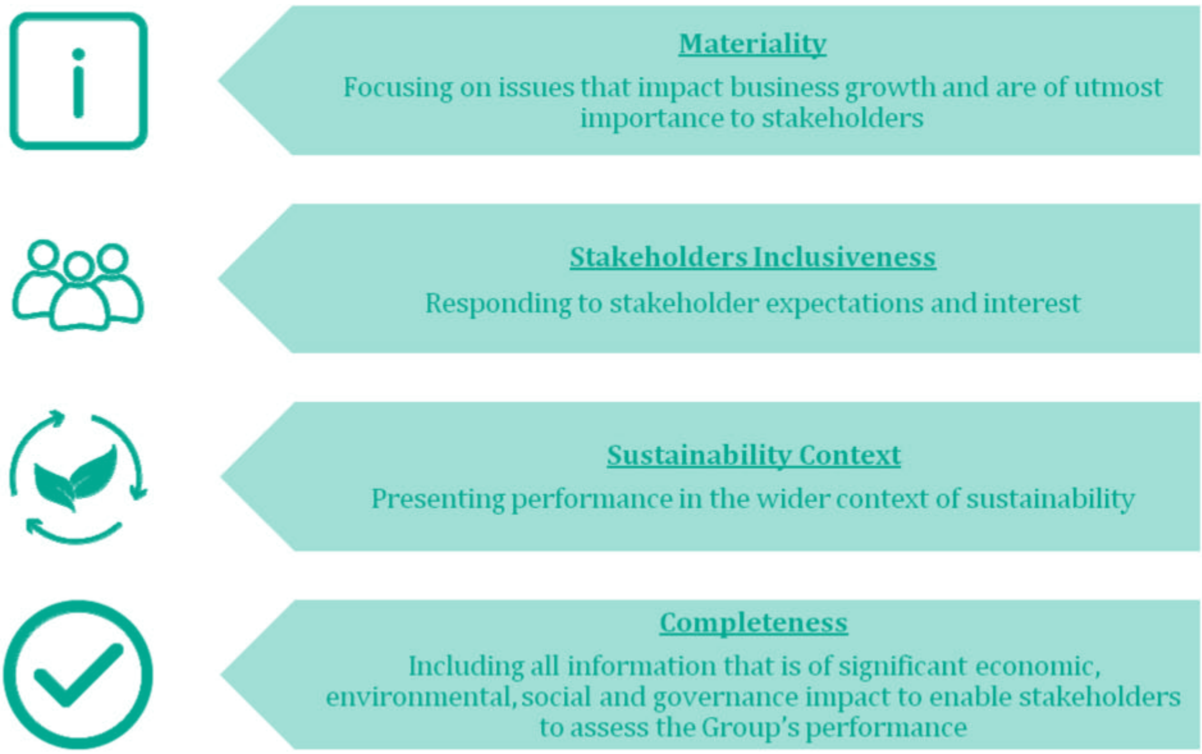
SUSTAINABILITY REPORT

About Sustainability Report

Jubilee has adopted a formal reporting approach by applying the industry-recognised international reporting framework, Global Reporting Initiative ("**GRI**") Standards: Core option and the requirements of SGX-ST Listing Rules 711A and 711B in preparing our second sustainability report.

This report focuses on our Group's sustainability strategies and highlights the ESG aspects of our operations. It provides an overview of our approach, performance and targets for our key sustainability areas.

Reporting Boundaries and Standards



Report Period and Scope

Unless otherwise stated, this report covers data and information from 1 April 2018 to 31 March 2019 across the Group. We have not sought external assurance for this sustainability report.

Accessibility & Feedback

The Group continues to print only limited copies of this sustainability report as part of our environmental conservation efforts. Current electronic editions of the report is available at: *http://www.jihldgs.com/*.

SUSTAINABILITY REPORT

Governance and Sustainability Approach

We have adopted a framework of corporate governance policies and practices in line with the principles and guidelines set out in the Code of Corporate Governance 2012. The corporate governance processes and practices adopted by the Group can be found in the Corporate Governance Report of the Annual Report.

We are committed to conduct our business sustainably. Managing sustainability issues engages all employees in some way. Thus, all our departments collectively contribute to ensure the implementation of our sustainability policies and the performance targets set by the senior management. The senior management reports directly to the Board of Directors on matters regarding sustainability, and act accordingly to the Board of Directors' strategic priorities. Our senior management coordinates and implements strategies and policies to address these sustainability issues across each department. In this way, we ensure the practice of initiatives that is relevant to our material topics as we ensure compliance with the ESG factors.

We ensure that we conduct our business processes in a way that reduces the impact on the environment. We aim to reduce our carbon footprint by minimising energy and water consumption. We also recognise the need to leave a strong social impact on local communities as we aim to expand and create new jobs for the society.

Stakeholder Engagement

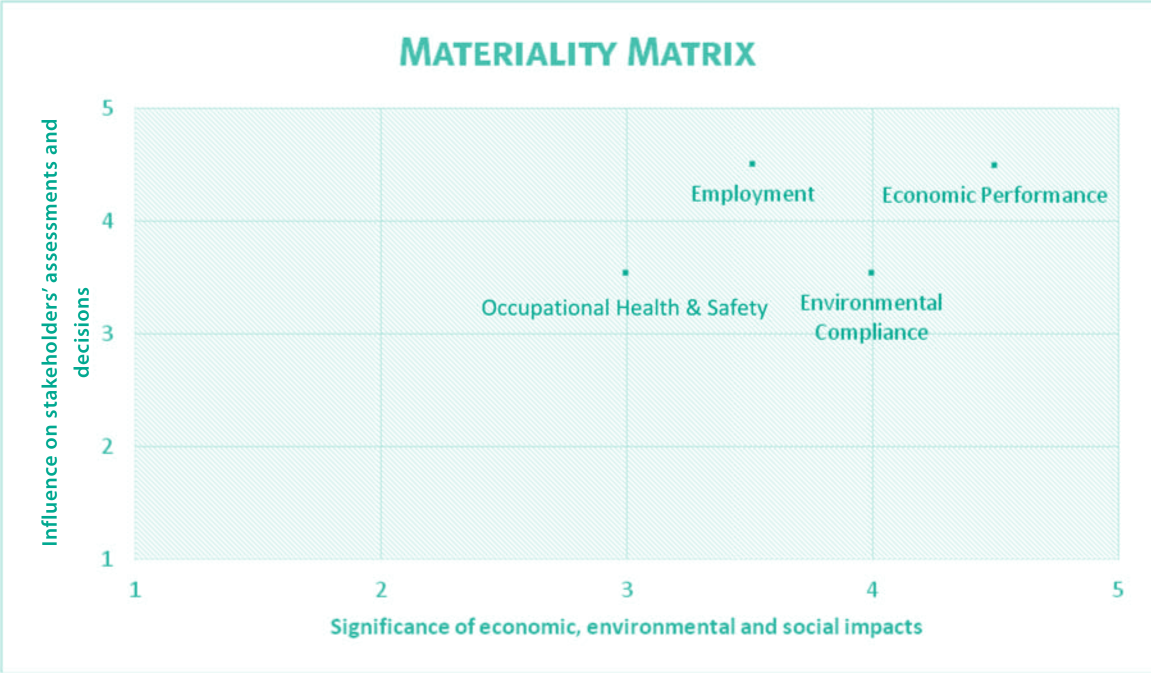
We believe that we should always respond to changing stakeholders' interest and we are committed to actively engage and foster relationships with our stakeholders so as to better understand their needs.

The feedback that arises from the engagement with our stakeholders includes inputs on our sustainability reporting and materiality. This has helped us strengthen the relevance of our reporting and approach to managing the Group's material issues. We also regularly engaged our employees, customers, suppliers, investors and regulators for input via surveys, evaluations, meetings and compliance with regulations.

Based on the feedback gathered from our internal and external stakeholders, we have evaluated and shortlisted factors which would have significant economic, environmental, social and governance impacts and are material to the organisation and stakeholders. These factors are ranked and prioritised through our engagement process and alignment with the Group's sustainability and strategic directions. Our priorities are reflected in the Materiality Matrix on page 38.

SUSTAINABILITY REPORT

Materiality Assessment



Sustainability Topics Selected:

- ✓ Economic Performance
- ✓ Environmental Compliance
- ✓ Employment
- ✓ Occupational Health & Safety

Economic Performance

Why is it Material?

To sustain economic growth, the importance of understanding the financial performance of the Group becomes increasingly vital in order to maintain a rate of growth which will benefit the investors and other key stakeholders including employees, customer, suppliers and regulators.

Management Approach

To strengthen our performance and position, our approach is to continue to enhance our productivity with our lean management structure. We also seek to follow the market trends to discover and embark on opportunities that would give us a competitive advantage in the industry.

Performance

The Group had completed the acquisition of Honfoong Plastics Industries Pte. Ltd. in FY2019. With the increased capacity and capability from the acquisition, we believe that it would help to broaden our Group's revenue stream as we increase the range of products to serve various industries.

Currently, the Group has 2 business segments, with 88.6% of the revenue attributable to the Electronics Business Unit ("EBU") and the remaining attributable to the Mechanical Business Unit ("MBU"). This year, EBU faced a challenge of softer global demand for electronic components as revenue fell from $151.8 million in FY2018 to $145.0 million in FY2019. However, we are positive that such a challenge can be well-managed to become an opportunity for us as we look forward to the growing demand for emerging technology such as 5G technology, cloud computing and artificial intelligence.

Our Group's revenue and net profit for FY2019, as shown below, increased by 2.3% and 208.9% respectively, as compared to FY2018. Please refer to the Operations and Financial Review section for a more detailed reporting of the Group's economic performance.

Performance Indicator	FY2019 (S$'000)	FY2018 (S$'000)	% Change
Revenue	163,691	159,954	2.3%
Net Profit	2,879	932	208.9%

Targets

For FY2020, we aim to continue to increase revenue growth and continue to generate net profit for our Group.

SUSTAINABILITY REPORT

Environmental Compliance

Why is it Material?

Our Group understands that it is everyone's responsibility to protect the well-being of the future generation by ensuring environmental sustainability. Following our aim of 'Moulding a Sustainable Future', we ensure that we reduce the environmental impact of our activities by avoiding unnecessary waste. Whilst working towards sustainable business practices, we could also increase productivity and reduce our environmental footprint at the same time.

Management Approach

We constantly seek innovative ways to upgrade the quality of our products and at the same time reduce the negative impact on the environment. Our environmental efforts are to maintain and improve our environmental policies, and also to develop environmental awareness among our employees. In this way, we ensure that we comply with key regulatory requirements for environmental preservation under the relevant laws and regulations.

Performance

In FY2019, we are proud to announce that there was no incident of non-compliance with environmental laws and regulations.

Targets

In the upcoming FY2020, we aim to, once again, fully comply with environmental laws and regulations. We will achieve this by regularly communicating the rules and regulations to our employees and we will also ensure that we highlight any changes to environmental laws and regulations to them.

Employment

Why is it Material?

Attracting and retaining the right talent is important as we believe that a company is as strong as the people who contribute to it. Furthermore, high turnover rate can lead to increased costs for our Group. To ensure sustainable growth for the Group, we seek to attract and retain talents. Therefore, we highly value healthy employment practices such as fair labour practice, well-being and benefits of employees, and safety in the workplace.

Management Approach

Fair Labour Practice

Our Human Resource management policies are established based on fair employment practices so as to attract, develop and retain a motivated workforce. Also, through the whistleblowing policy, we ensure that our employees work in a fair and just environment.

Well-Being & Benefits

We ensure that our employees do not exceed the maximum overtime hours allowed and that sufficient time is given to them in-between working shifts. We do frequent checks on the living conditions of the accommodations provided for them. We also frequently seek feedback or recommendations from our employees to ensure that they are working under a conducive environment.

Safety in the Workplace

We ensure that our workers in our plants and factories adhere to safety practices to prevent occupational injuries among employees. We believe that improved safety practices help employees to work at ease and bring up productivity in the workplace.

Performance

As set out in the following table which shows the employment details during FY2019, it is shown that we do not discriminate against hiring employees of different age groups. Similarly, there is no gender discrimination when it comes to employment opportunities in the Group.

New Employee Hires Sorted By Age Groups	FY 2019		FY 2018	
	Number	%	Number	%
21 to 30	59	41.26	31	34.83
31 to 45	63	44.06	38	42.70
46 to 60	20	13.99	19	21.35
Above 60	1	0.70	1	1.12

SUSTAINABILITY REPORT

New Employee Hires and Employee Turnover	FY 2019		FY 2018	
	Female	**Male**	**Female**	**Male**
Number of employees	814	932	279	418
Gender distribution	46.62%	53.38%	40.03%	59.97%
Number of new employees	45	52	14	23
New employee hires rate	5.53%	5.58%	5.02%	5.50%
Number of resigned employees	45	62	13	24
Employees turnover rate	5.53%	6.65%	4.66%	5.74%

In accordance with local regulations, employees are awarded with benefits which are made known to them prior to joining us. The Group provides benefits for full time employees in the form of employee insurance coverage and parental leave. Parental leave is one of the benefits that helps to attract and retain employees.

Targets

Moving forward to FY2020, we will continue to practice non-discrimination in hiring employees of different age groups. We will also continue to improve our employment practices and target to maintain employee turnover rate to be below 7%.

Occupational Health & Safety

Why is it Material?

Occupational health and safety is a common concern and an important aspect in the manufacturing industry. Our employees work in an environment with potential hazards and we see their protection and well-being as our duty. At Jubilee, we believe that creating a safe and conducive working environment is essential for our employees. We recognise that our employees are our most important assets and they are vital to our business functions. We want our employees to know that workplace safety is of utmost priority and they can be at ease, working in an environment that has stringent safely checks in place.

Management Approach

We have policies and procedures in place for Occupational Health and Safety whereby we have certified officers who oversee the safety issues in the factories and ensure that everyone performs in compliance with industry standards. We have also outsourced auditors to perform periodic safety checks at our factories to ensure a satisfactory level of safety management. Our employees also attend trainings to increase their awareness in workplace safety.

Performance

For FY2019, we had constantly reviewed our policies and procedures with regard to workplace safety. We had also conducted trainings to our employees on a frequent basis to ensure that they strictly follow the standards set out in our policies.

The Group is proud to report that there were no major accidents due to our strict safety procedures and training.

Targets

Looking forward in FY2020, the Group aims to have zero workplace fatalities and to ensure a safe working environment for all employees. We will also take precautions by developing a new procedure at the workplace to increase our state of preparedness in the event of any emergency. We plan to improve upon the audit program to focus on specific critical workplace safety issues to ensure compliance with procedures and safety standards.

With adherence to GRI 403: Occupational Health and Safety 2018, which will be effective 1 January 2021 onwards, we aim to include more performance indicators for reporting in the future. We will work to include reporting on work-related injuries and work-related ill-health, and include indicators such as the number of fatalities, injuries and ill-health for FY2021 onwards.

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards	Notes/ Page Reference
102-1 Name of the organisation	Jubilee Industries Holdings Ltd
102-2 Activities, brands, products, and services	Corporate Profile, pages 02-03 (AR2019)
102-3 Location of headquarters	Corporate Directory, page 16 (AR2019)
102-4 Location of operations	Corporate Directory, page 16 (AR2019)
102-5 Ownership and legal form	Corporate Profile, pages 02-03 (AR2019)
102-6 Markets served	Corporate Profile, pages 02-03 (AR2019)
102-7 Scale of the organisation	Corporate Profile, pages 02-03 (AR2019) Operations and Financial Review, pages 09-10 (AR2019) Employment, page 42 (SR section)
102-8 Information on employees and other workers	Employment, pages 41-42 (SR section)
102-9 Supply chain	Corporate Profile, pages 02-03 (AR2019)
102-10 Significant changes to the organisation and its supply chain	No significant changes
102-11 Precautionary principle or approach	Jubilee Industries Holdings Ltd does not specifically refer to the precautionary principle
102-12 External initiatives	Jubilee Industries Holdings does not subscribe to any significant external initiatives
102-13 Membership of associations	No main memberships of industry or other associations, and national or international advocacy organisations maintained at organizational level
102-14 Statement from senior decision maker	Board Statement on Sustainability, page 35 (SR section)
102-16 Values, principles, standards, and norms of behaviour	Sustainability Approach, page 37 (SR section)
102-18 Governance structure	Board of Directors, pages 12-13 (AR2019) Corporate Management, pages 14-15 (AR2019)
102-40 List of stakeholder groups	Stakeholder Engagement, page 37 (SR section)
102-41 Collective bargaining agreements	Nil
102-42 Identifying and selecting stakeholders	Stakeholder Engagement, page 37 (SR section)
102-43 Approach to stakeholder engagement	Stakeholder Engagement, page 37 (SR section)
102-44 Key topics and concerns raised	Stakeholder Engagement, page 37 (SR section)
102-45 Entities included in the consolidated financial statements	Notes to the Financial statements, pages 95-97 (AR2019)
102-46 Defining report content and topic boundaries	About Sustainability Report, page 36 (SR section)
102-47 List of material topics	Stakeholder Engagement, page 37 (SR section)
102-48 Restatements of information	No restatements as this is an inaugural report
102-49 Changes in reporting	No changes as this is an inaugural report
102-50 Reporting period	1 April 2018 to 31 March 2019
102-51 Date of most recent report	9 July 2018
102-52 Reporting cycle	Annual
102-53 Contact point for questions regarding the report	About Sustainability Report, page 36 (SR section)
102-54 Claims of reporting in accordance with the GRI Standards	About Sustainability Report, page 36 (SR section)
102-55 GRI content index	GRI Content Index, pages 44-45 (SR section)
102-56 External assurance	About Sustainability Report, page 36 (SR section)

SUSTAINABILITY REPORT

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

GRI Standards (2016)	Notes/ Page Reference
Economic Performance	
103-1 Explanation of the material topic and its boundaries	Economic Performance, page 39 (SR section) Operations and Financial Review, pages 09-10 (AR2019)
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
201-1 Direct Economic value generated and distributed	
Environmental Compliance	
103-1 Explanation of the material topic and its boundaries	Environmental Compliance, page 40 (SR section)
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
307-1 Non-compliance with environmental laws and regulations	
Employment	
103-1 Explanation of the material topic and its boundaries	Employment, pages 41-42 (SR section)
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
401-1 New employee hires and employee turnover	
401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
401-3 Parental leave	
Occupational Health and Safety	
103-1 Explanation of the material topic and its boundaries	Occupational Health & Safety, page 43 (SR section)
103-2 The management approach and its components	
103-3 Evaluation of the management approach	
403-1 Workers representation in formal joint management – worker health and safety committees	
403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	
403-3 Workers with high incidence or high risk of diseases related to their occupation	
403-4 Health and safety topics covered in formal agreements with trade unions	

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 2019 and the statement of financial position of the Company as at 31 March 2019.

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 54 to 136 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 2019 and the financial performance, changes in equity and cash flows of the Group for the financial year covered by the consolidated financial statements; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Terence Tea Yeok Kian
Cheong Keng Chuan Alfred
Ng Siew Hoong Linus

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Holdings registered in the name of director or nominee		Holdings in which director is deemed to have an interest	
	As at 31 March 2019	As at 1 April 2018	As at 31 March 2019	As at 1 April 2018
The Company				
(Number of ordinary shares)				
Terence Tea Yeok Kian	655,600	655,600	667,275,725	667,275,725
The immediate and ultimate holding corporation – Accrelist Ltd.				
(Number of ordinary shares)				
Terence Tea Yeok Kian	1,264,756,029	1,264,756,029	30,062,000	30,062,000

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

The directors' interests in the ordinary shares of the Company as at 21 April 2019 were the same as those as at 31 March 2019.

Share plans

(a) Jubilee Share Award Scheme ("JSAS")

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

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

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

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

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

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

(b) Warrants

As at the end of the financial year, the Company has the following outstanding warrants:

Warrants	Exercise price per ordinary share	Expiry date	Number of warrants outstanding	
			31 March 2019	31 March 2018
Warrants 2018/2020	S$0.045	1 March 2020	255,613,108	255,613,108

Warrants 2018/2020 were issued on 6 March 2018 in conjunction with the issuance of 255,613,108 rights shares with one (1) free warrant for every one (1) rights share, totalling to 255,613,108 free warrants. The warrants entitle the holders to subscribe for new ordinary shares in the Company on the basis of one (1) warrant for every one (1) rights share subscribed. The warrants held at an exercise price of S$0.045 per ordinary share and will be expiring within 2 years from the date of the issue of the warrants.

(c) Share options

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

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

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

DIRECTORS' STATEMENT

Audit Committee ("AC")

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

Cheong Keng Chuan Alfred (Chairman)
Terence Tea Yeok Kian
Ng Siew Hoong Linus

As at the date of this statement, the AC comprises all non-executive directors which are all independent, except for Mr Terence Tea Yeok Kian who has direct and deemed interest 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 followings:

- Reviewing the scope and the results of audit undertaken by the independent auditor to ensure that there is a balance between maintenance of their objectivity and cost effectiveness;
- Reviewing the financial statements and other announcements to members and the Singapore Exchange Securities Trading Limited ("SGX-ST"), prior to submission to the Board;
- Conducting investigation into any matter within the AC's scope of responsibility and review any significant findings of investigations;
- Assessing the independence and objectivity of the independent auditor;
- Recommending to the Board on the appointment and re-appointment of the independent auditor;
- Reviewing the assistance given by the Company's officers to the independent auditor; and
- Reviewing transactions falling within the scope of Chapter 9 of the Catalist Rules.

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

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

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

Independent Auditor

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

On behalf of the directors

Terence Tea Yeok Kian
Director

Cheong Keng Chuan Alfred
Director

5 July 2019

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 2019, 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 54 to 136.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 March 2019 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 2019. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilee Industries Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Revenue recognition
Refer to Note 2.2 and Note 4

Area of focus

The Group's revenue is primarily generated from:

(i) sale of electronic components and provision of precision plastic injection moulding services which is recognised when the Group satisfied its performance obligation by transferring the control of the promised goods to the customers, which is when the goods are delivered to the destination specified by the customers, typically refers to the incoterms specified in the contract; and

(ii) provision of design, fabrication and sale of precision plastic injection moulds where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has enforceable right to payment for performance completed to-date, revenue is recognised over time based on percentage of completion which is measured by reference to the stages of mould manufacturing process completed to-date.

During the financial year ended 31 March 2019, the Group recognised revenue of S$163,691,000. We focused on this area as a key audit matter as there is a presumed fraud risk with regards to revenue recognition and revenue is one of the key performance indicators of the Group.

The potential existence of management override controls and large volume of transaction also increase the inherent risk of material misstatement in the amount of revenue reported.

The adoption of new revenue recognition standard – SFRS(I) 15 *Revenue from Contracts with Customers* represents a change in accounting principles and increase the risks of material misstatements in revenue, which may result in inaccurate recognition of revenue, as well as incomplete or omission of transition disclosures on implementing the new standard.

How our audit addressed the area of focus

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

- Obtained samples of contracts with customers and reviewed the terms and conditions, along with discussion with management, to assess the Group's revenue recognition policy in accordance with SFRS(I) 15, in particular the identification of performance obligations, the timing of revenue recognition (i.e. at a point in time or over time), and to identify the financial impact of each revenue stream on the adoption of the new standard.

- Discussed with management on the processes involved in the sales cycle for each revenue stream and performed walkthrough tests to consolidate our understanding.

- Evaluated the effectiveness of key controls over sales cycles and performed test of controls to ascertain the reliabilities of such key controls.

- 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.

- Reviewed the adequacy of disclosures in the notes to the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilee Industries Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

Key Audit Matters (continued)

Business combination
Refer to Note 2.4 and Note 40

Area of focus

On 31 July 2018, the Company completed the acquisition of Honfoong Plastic Industries Pte Ltd and its subsidiary corporation (collectively, "Honfoong Group") for a purchase consideration of S$3,000,000, which was satisfied through (i) cash consideration of S$1,000,000 and (ii) issuance and allotment of 55,555,555 new ordinary shares of the Company. The acquisition of Honfoong Group is accounted for using acquisition method in accordance with SFRS(I) 3 *Business Combinations* and a gain from bargain purchase amounting to S$1,124,000 is recognised in profit or loss for the financial year ended 31 March 2019.

Significant management's assumptions and estimates involved in the determination of fair value of the identifiable assets acquired, liabilities assumed in the acquisition and share consideration which will affect the resultant bargain purchase recognised.

How our audit addressed the area of focus

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

- Obtained the sale and purchase agreement and read the significant terms relevant to the accounting and disclosure of the financial statements.
- Reviewed management's assessment of the initial recognition of these newly acquired subsidiary corporations to ensure its compliance with SFRS(I) 3 *Business Combinations* requirements.
- Evaluated the professional competency and objectivity of management's expert.
- Involved our internal valuation specialist to evaluate the methodology applied, in particular the valuation of the assets acquired, liabilities and contingent liabilities assumed for the newly acquired subsidiary corporations and the fair value of the share consideration.
- Reviewed the adequacy of disclosures in the notes to the financial statements.

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 SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilee Industries Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

Responsibilities of Management and Directors for the Financial Statements (continued)

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

To the Members of Jubilee Industries Holdings Ltd.

Report on the Audit of the Financial Statements (continued)

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

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

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

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

Report on other Legal and Regulatory Requirements

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

The engagement director on the audit resulting in this independent auditor's report is Meriana Ang Mei Ling.

Nexia TS Public Accounting Corporation
Public Accountants and Chartered Accountants

Singapore
5 July 2019

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 March 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Revenue	4	163,691	159,954
Cost of sales		(150,907)	(152,317)
Gross profit		12,784	7,637
Other income			
- Interest income from bank deposit		28	31
- Others	5	213	293
Other gains/(losses) - net			
- Impairment loss on financial assets at amortised cost	38(b)	(184)	(122)
- Others	6	1,072	2,619
Expenses			
- Distribution and marketing		(1,425)	(1,237)
- Administrative		(8,727)	(7,805)
- Finance	9	(1,081)	(1,176)
Share of profit of associated company	21	662	696
Profit before income tax		3,342	936
Income tax expense	10(a)	(463)	(4)
Net profit		2,879	932
Other comprehensive income/(loss):			
Items that may be reclassified subsequently to profit or loss:			
- Share of other comprehensive income/(loss) of associated company	33(b)(ii)	132	(479)
- Currency translation differences arising from consolidation – gains/(losses)	33(b)(i)	682	(177)
- Fair value loss on available-for-sale financial assets	33(b)(iv)	–	(900)
		814	(1,556)
Items that will not be reclassified subsequently to profit or loss:			
- Fair value loss on financial assets, at FVOCI	33(b)(iv)	(258)	–
Other comprehensive income/(loss), net of tax		556	(1,556)
Total comprehensive income/(loss)		3,435	(624)
Net profit/(loss) attributable to:			
Equity holders of the Company		2,705	932
Non-controlling interests		174	–
		2,879	932
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company		3,261	(624)
Non-controlling interests		174	–
		3,435	(624)
Earnings per share attributable to equity holders of the Company (cents per share)			
- Basic and diluted	11	0.22	0.15

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

		Group		
		31 March		1 April
		2019	2018	2017
	Note	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	12	5,334	9,119	11,333
Financial assets, at FVPL	13	33	33	33
Financial assets, available-for-sale	14	–	1,116	–
Financial assets, at FVOCI	15	934	–	–
Trade and other receivables	16	30,547	27,083	22,400
Inventories	17	20,193	14,977	14,625
Other current assets	18	8,763	8,167	633
		65,804	60,495	49,024
Non-current assets classified as held-for-sale	19	–	–	7,300
		65,804	60,495	56,324
Non-current assets				
Financial assets, available-for-sale	14	–	286	–
Financial assets, at FVOCI	15	90	–	–
Investment in associated company	21	11,301	10,166	8,477
Property, plant and equipment	22	7,460	900	1,589
Intangible assets	23	2,167	2,632	3,257
		21,018	13,984	13,323
Total assets		86,822	74,479	69,647
LIABILITIES				
Current liabilities				
Trade and other payables	24	25,758	34,104	34,055
Current income tax liabilities	10(b)	326	1	18
Borrowings	25	18,692	4,975	10,664
Provision	28	–	–	713
		44,776	39,080	45,450
Non-current liabilities				
Borrowings	25	46	896	11,363
Deferred income tax liabilities	10(c)	116	–	–
		162	896	11,363
Total liabilities		44,938	39,976	56,813
NET ASSETS		**41,884**	**34,503**	**12,834**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	29	73,279	70,279	48,975
Treasury shares	29	(736)	(736)	(736)
Warrants reserve	30	1,150	1,150	–
Statutory reserve	31	2,257	2,257	2,257
Capital reserve	32	(142)	(142)	(142)
Other reserves	33	577	(85)	1,632
Accumulated losses		(35,621)	(38,220)	(39,152)
		40,764	34,503	12,834
Non-controlling interests	20	1,120	–	–
TOTAL EQUITY		**41,884**	**34,503**	**12,834**

The accompanying notes are an integral part of these financial statements

STATEMENTS OF FINANCIAL POSITION

As at 31 March 2019

		Company		
		31 March		1 April
		2019	2018	2017
	Note	S$'000	S$'000	S$'000
ASSETS				
Current assets				
Cash and cash equivalents	12	117	664	9
Financial assets, available-for-sale	14	–	1,116	–
Financial assets, at FVOCI	15	934	–	–
Trade and other receivables	16	21,970	19,782	22,154
Other current assets	18	3	16	21
		23,024	21,578	22,184
Non-current assets				
Financial assets, available-for-sale	14	–	286	–
Financial assets, at FVOCI	15	90	–	–
Investments in subsidiary corporations	20	24,456	17,461	17,461
Investment in associated company	21	10,934	10,592	9,722
Property, plant and equipment	22	1	2	–
Intangible assets	23	8	32	84
		35,489	28,373	27,267
Total assets		58,513	49,951	49,451
LIABILITIES				
Current liabilities				
Trade and other payables	24	13,818	14,954	14,736
Borrowings	25	2,698	1,522	10,660
		16,516	16,476	25,396
Non-current liabilities				
Borrowings	25	–	896	11,363
Total liabilities		16,516	17,372	36,759
NET ASSETS		**41,997**	**32,579**	**12,692**
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	29	73,279	70,279	48,975
Treasury shares	29	(736)	(736)	(736)
Warrants reserve	30	1,150	1,150	–
Capital reserve	32	(142)	(142)	(142)
Other reserves	33	(1,052)	(900)	161
Accumulated losses	34	(30,502)	(37,072)	(35,566)
TOTAL EQUITY		**41,997**	**32,579**	**12,692**

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 March 2019

	Note	Share capital S$'000	Treasury shares S$'000	Warrants reserve S$'000	Statutory reserve S$'000	Capital reserve S$'000	Other reserves S$'000	Accumulated losses S$'000	Total S$'000	Non-controlling interests S$'000	Total Equity S$'000
		← Attributable to equity holders of the Company →									
2019											
Beginning of financial year		70,279	(736)	1,150	2,257	(142)	(85)	(38,220)	34,503	–	34,503
Total comprehensive income/(loss) for the financial year		–	–	–	–	–	556	2,705	3,261	174	3,435
Transfer upon disposal of financial assets	33(b)(iv)	–	–	–	–	–	106	(106)	–	–	–
Issuance of placement shares	29	1,000	–	–	–	–	–	–	1,000	–	1,000
Issuance of new ordinary shares for acquisition of subsidiary corporations	29, 40(a)	2,000	–	–	–	–	–	–	2,000	946	2,946
End of financial year		73,279	(736)	1,150	2,257	(142)	577	(35,621)	40,764	1,120	41,884
2018											
Beginning of financial year		48,975	(736)	–	2,257	(142)	1,632	(39,152)	12,834	–	12,834
Total comprehensive (loss)/ income for the financial year		–	–	–	–	–	(1,556)	932	(624)	–	(624)
Issuance of new ordinary shares pursuant to conversion of convertible loan	29, 33(b)(iii)	10,951	–	–	–	–	(161)	–	10,790	–	10,790
Allocation of proceeds from rights issue	29, 30	10,353	–	1,150	–	–	–	–	11,503	–	11,503
End of financial year		70,279	(736)	1,150	2,257	(142)	(85)	(38,220)	34,503	–	34,503

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

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Cash flows from operating activities			
Net profit		2,879	932
Adjustment for:			
- Income tax expense	10(a)	463	4
- Amortisation, impairment and depreciation	7	1,206	1,181
- Loss/(Gain) on disposal of property, plant and equipment	6	1	(233)
- Gain from bargain purchase	6	(1,124)	–
- Share of profit of associated company	21	(662)	(696)
- Dividend income	5	(9)	(17)
- Interest income – bank deposits		(28)	(31)
- Interest expense	9	1,081	1,176
- Unrealised currency translation losses/(gains)		692	(1,402)
		4,499	914
Changes in working capital:			
- Trade and other receivables		(867)	(4,683)
- Inventories		(3,910)	(352)
- Other current assets		(186)	(234)
- Trade and other payables		(12,374)	2,821
- Provision for restructuring		–	(713)
Cash used in operations		(12,838)	(2,247)
Interest paid		(152)	–
Income tax paid	10(b)	(211)	(21)
Net cash used in operating activities		(13,201)	(2,268)
Cash flows from investing activities			
Acquisition of subsidiary corporations, net of cash acquired	40(b)	(1,528)	–
Additions to intangible assets		(2)	(2,807)
Additions to investment in associated company	21	(342)	(870)
Additions to property, plant and equipment		(594)	(519)
Additions to available-for-sale financial assets	14	–	(2,302)
Disposal of financial assets, at FVOCI	15	120	–
Disposal of property, plant and equipment		8	939
Dividend received		9	17
Interest received		28	31
Net cash used in investing activities		(2,301)	(5,511)

The accompanying notes are an integral part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	Note	Group 2019 S$'000	Group 2018 S$'000
Cash flows from financing activities			
Drawdown of bank borrowings		10,982	4,533
Repayment of loan from immediate and ultimate holding corporation		(17)	–
Repayment of finance lease liabilities		(29)	(5)
Proceeds from issuance of rights issue	29	–	1,066
Interest paid		(880)	(505)
Withdrawal/(Pledged) of short-term bank deposits		1,667	(282)
Net cash provided by financing activities		11,723	4,807
Net decrease in cash and cash equivalents		(3,779)	(2,972)
Cash and cash equivalents			
Beginning of financial year		6,441	9,379
Effect of currency translation on cash and cash equivalents		(27)	34
End of financial year	12	2,635	6,441

Reconciliation of liabilities arising from financing activities

			Non-cash changes			
	1 April 2018 S$'000	Principal and interest receipts/ (payments) S$'000	Acquisition of subsidiary corporations S$'000	New finance lease S$'000	Interest expense S$'000	31 March 2019 S$'000
Bank borrowings	4,533	10,102	500	–	880	16,015
Finance lease liabilities	*	(29)	–	83	3	57
Loan from immediate and ultimate holding corporation	896	(17)	–	–	46	925

			Non-cash changes		
	1 April 2017 S$'000	Principal and interest receipts/ (payments) S$'000	Issuance of share capital and warrants S$'000	Interest expense S$'000	31 March 2018 S$'000
Bank borrowings	–	4,049	–	484	4,533
Finance lease liabilities	4	(5)	–	1	*
Convertible loan	10,660	–	(10,791)	131	–
Loan from immediate and ultimate holding corporation	11,363	–	(10,974)	507	896

* Amount less than S$1,000.

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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 2019 were authorised for issue in accordance with resolution of the directors on 5 July 2019.

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 20.

The immediate and ultimate holding corporation is Accrelist Ltd., a company incorporated in Singapore and listed on SGX-ST.

2 Summary of significant accounting policies

2.1 Basis of preparation

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

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

Adoption of SFRS(I)

As required by the listing requirements of SGX-ST, the Group has adopted SFRS(I) on 1 April 2018. The financial statements for the financial year ended 31 March 2019 are the first set of financial statements the Group prepared in accordance with SFRS(I). The Group's previously issued financial statements for periods up to and including the financial year ended 31 March 2018 were prepared in accordance with Singapore Financial Reporting Standards ("FRS").

In adopting SFRS(I) on 1 April 2018, the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of SFRS(I).

Under SFRS(I) 1, these financial statements are required to be prepared using accounting policies that comply with SFRS(I) effective as at 31 March 2019. The same accounting policies are applied throughout all periods presented in these financial statements, subject to the mandatory exceptions and optional exemptions under SFRS(I) 1.

The Group's opening statement of financial position has been prepared as at 1 April 2017, which is the Group's date of transition to SFRS(I) ("date of transition").

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Adoption of SFRS (I) (continued)

(a) Optional exemptions applied

SFRS(I) 1 allows the exemption from application of certain requirements under SFRS(I) on a retrospective basis. The Group has applied the following exemptions in preparing this first set of financial statements in accordance with SFRS(I):

(i) Adoption of SRFS(I) 9 – Financial Instruments

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 April 2018. Accordingly, the requirements of FRS 39 - Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 31 March 2018. The Group is also exempted from complying with SFRS(I) 7 - Financial Instruments: Disclosure to the extent that the disclosures required by SFRS(I) 7 relate to the items within scope of SFRS(I) 9.

As a result, the requirements under FRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within scope SFRS(I) 9.

The accounting policies for financial instruments under SFRS(I) 9 is as disclosed in Note 2.10 to the financial statements.

Classification and measurement of financial assets

For financial assets held by the Group and the Company on 1 April 2018, management has assessed the business models that are applicable on that date to these assets so as to classify them into the appropriate categories under SFRS(I) 9. The reclassifications resulting from management's assessment are disclosed below.

	AFS	**FVOCI**
	S$'000	**S$'000**
Balance as at 31 March 2018 – before adoption of SFRS(I) 9	1,402	–
Reclassifiy investments from available-for-sale to FVOCI	(1,402)	1,402
Balance as at 1 April 2018 – after adoption of SFRS(I) 9	–	1,402

Equity investments reclassified from available-for-sale to FVOCI

The Group has elected to recognise changes in the fair value of all its equity investments not held for trading and previously classified as available-for-sale, in other comprehensive income. As a result, assets with a fair value of S$1,402,000 were reclassified from "financial assets, available-for-sale" to "financial assets, at FVOCI" on 1 April 2018.

Loans and receivables reclassified to amortised cost

Cash and cash equivalents, trade and other receivables and other deposits that were classified as loans and receivables under FRS 39 are now classified at amortised cost.

Impairment of financial assets

The Group has the following financial assets subject to the expected credit loss impairment model under SFRS(I) 9:

- Trade receivables; and
- Other receivables at amortised costs (including amounts due from subsidiary corporations and related parties).

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Adoption of SFRS (I) (continued)

(a) Optional exemptions applied (continued)

(i) Adoption of SRFS(I) 9 – Financial Instruments (continued)

The impairment methodology under FRS and SFRS(I) for each of these classes of financial assets is different. The impairment methodology for each of these classes of financial assets under SFRS(I) 9 is as disclosed in Notes 2.10 and 38(b) to the financial statements respectively.

(ii) Adoption of SFRS(I) 15 – Revenue from Contracts with Customers

The Group applied SFRS(I) 15 retrospectively and has elected to apply the following practical expedients in accordance with the transition provisions in SFRS(I) 15:

- For completed contracts, the Group has not restated contracts that begin and end within the same year or are completed contracts on 1 April 2017. Had the Group elected not to apply this practical expedient, the amount of revenue recorded for prior year would have been lower; and

- For completed contracts that have variable consideration, the Group has used the transaction price at the date the contract was completed instead of estimating variable consideration amounts in the comparative year ended 31 March 2018. Had the Group elected not to apply this practical expedient, the amount of revenue recorded for prior year would have been lower.

The key impacts from the adoption of SFRS(I) 15 on revenue from provision of design, fabrication and sale of precision plastic injection mould ("MDF") are described below.

- The Group had certain contracts for which the sale of moulds was included in a single contract. The Group previously recognised revenue as work progresses and approved by customer. Under SFRS(I) 15, the sale of moulds is satisfied over time where the Group is restricted contractually from directing the moulds for another use as they are being produced and the Group has an enforceable right to payment for performance completed to-date.

- The adoption of SFRS(I) 15 did not result in any adjustments to the previously issued FRS financial statements as the uncompleted contracts as of 1 April 2017 would not be materially affected the amount of revenue recorded for prior financial year.

The accounting policies under SFRS(I) 15 are disclosed in Note 2.2 to the financial statements.

(b) There were no material adjustments to the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows arising from the transition from FRS to SFRS(I).

2.2 Revenue recognition

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

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

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

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

(i) Sale of goods - distribution of electronic components

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

Prior to 1 April 2018, revenue from sales of goods is recognised when the Group has delivered the products to the customer, the customer has accepted the products and the collectability of the related receivables is reasonably assured.

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

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

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

Prior to 1 April 2018, revenue from sales 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.

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

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

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

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

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

Prior to 1 April 2018, revenue from MDF 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.2 Revenue recognition (continued)

(c) *Commission income and service income*

Commission income and service income are recognised at a point in time, i.e. when services are rendered.

(d) *Interest income*

Interest income is recognised using the effective interest method.

(e) *Dividend income*

Dividend income is recognised when the right to receive payment is established.

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 gains/(losses)-net".

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

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.

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.

When the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of any previous equity interest in the acquiree is less than the fair value of the identifiable net assets of the subsidiary corporation acquired, the difference – often referred to as "bargain purchase" – is recognised in profit or loss.

(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 2019

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%.

If an investor holds, directly or indirectly (eg. through subsidiary corporations), less than 20% of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated. A substantial or majority ownership by another investor does not necessarily preclude an investor from having significant influence.

The existence of significant influence by an investor is usually evidenced in one or more of the following ways:

- representation on the board of directors or equivalent governing body of the investee;
- participation in policy-making processes, including participation in decisions about dividends or other distributions;
- material transactions between the investor and the investee;
- interchange of managerial personnel; or
- provision of essential technical information.

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

(i) Acquisitions

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.4 Group accounting (continued)

(c) Associated company (continued)

(ii) Equity method of accounting

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

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

(ii) Disposals

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

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

2.5 Property, plant and equipment

(a) Measurement

(i) Property, plant and equipment

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

(ii) Components of costs

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.5 Property, plant and equipment (continued)

(b) Depreciation

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

	Useful Lives
Leasehold properties	Over respective lease terms of 20 years
Plant and machinery	5 - 10 years
Motor vehicles	5 years
Office equipment and tools	5 years
Furniture and electrical fittings	5 years
Renovations	5 years

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

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

(c) Subsequent expenditure

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

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss within "Other gains/(losses) – net".

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.

2 Summary of significant accounting policies (continued)

2.6 Intangible assets (continued)

(a) *Goodwill on acquisitions* (continued)

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

(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.

(c) *Distribution rights*

Distribution rights acquired are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over 2 years and 8 years, which is the shorter of their estimated useful lives and period of contractual rights.

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

2.7 Borrowing costs

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

2.8 Investments in subsidiary corporations and associated company

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

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.

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

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

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

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

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as revaluation decrease.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.10 Financial assets

The accounting for financial assets before 1 April 2018 are as follows:

(a) Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables and financial assets available for sale. 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.

(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 16) and "cash and cash equivalents" (Note 12) on the statements of financial position.

(iii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are presented as non-current asset unless management intends to dispose of the asset within 12 months after the reporting date.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

The accounting for financial assets before 1 April 2018 are as follows: (continued)

(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

Available-for-sale financial assets and 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.

Interest and dividend income on available-for-sale financial assets are recognised separately in income. Changes in the fair values of available-for-sale debt securities (i.e. monetary items) denominated in foreign currencies are analysed into currency translation differences on the amortised cost of the securities and other changes; the currency translation differences are recognised in profit or loss and the other changes are recognised in other comprehensive income and accumulated in the fair value reserve. Changes in the fair values of available-for-sale equity securities (i.e non-monetary items) are recognised in other comprehensive income and accumulated in the fair value reserve, together with the related currency translation differences.

(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.

(i) Loans and receivables

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

The accounting for financial assets before 1 April 2018 are as follows: (continued)

(e) *Impairment (continued)*

(ii) Available-for-sale financial assets

In addition to the objective evidence of impairment described in Note 2.10(e)(i), a significant or prolonged decline in the fair value of an equity security below its cost is considered as an indicator that the available-for-sale financial asset is impaired.

If there is objective evidence of impairment, the cumulative loss that had been previously recognised in other comprehensive income is reclassified from equity to profit or loss. The amount of cumulative loss that is reclassified is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. The impairment losses recognised as an expense for an equity security are not reversed through profit or loss in subsequent period.

The accounting for financial assets from 1 April 2018 are as follows:

(f) Classification and measurement

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows: (continued)

(f) *Classification and measurement* (cont'd)

At initial recognition

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

At subsequent measurement

(i) *Debt instruments*

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

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in Other Comprehensive Income (OCI) and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in "other gains and losses". Interest income from these financial assets is recognised using the effective interest rate method and presented in "interest income".

- FVPL: Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVPL. Movement in fair values and interest income is recognised in profit or loss in the period in which it arises and presented in "other gains and losses".

(ii) *Equity investments*

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.10 Financial assets (continued)

The accounting for financial assets from 1 April 2018 are as follows: (continued)

(g) Impairment

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

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. Note 38(b) to the financial statements provides further disclosure on the impairment policy.

(h) Recognition and derecognition

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

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

Trade receivables that are factored out to banks and other financial institutions with recourse to the Group are not 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.12 Financial guarantees (continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.15 Fair value estimation of financial assets and liabilities

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

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

2.16 Leases

When the Group is the lessee:

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. The amount of any write-down of inventories to net realisable value shall be recognised as an expense in the period the write-down occurs. The amount of any reversal of write-down of inventories, arising from an increase in net realisable value, shall be recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

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 2019

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) *Defined benefit plans*

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period when they arise. Past service costs are recognised immediately in profit or loss.

(d) *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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.21 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore Dollar, which is the functional currency of the Company and have been rounded to the nearest thousand ("S$'000").

(b) Transactions and balances

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

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

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

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

(c) Translation of Group entities' financial statements

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

(i) assets and liabilities are translated at the closing exchange rates at the reporting date;

(ii) income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) all resulting currency translation differences are recognised in other comprehensive income and accumulated in currency translation reserve. These currency translation differences are reclassified to profit or loss 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

2 Summary of significant accounting policies (continued)

2.23 Cash and cash equivalents

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

2.24 Share capital and treasury shares

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

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

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

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

2.25 Warrants reserve

Fair value from the issuance of warrants are credited to warrants reserve which is non-distributable. When the warrants are exercised or expired, the warrants reserve will be transferred to share capital within equity.

2.26 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;

(c) is a subsidiary corporation acquired exclusively with a view to resale.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

3 Critical accounting estimates, assumptions and judgements

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

(a) Impairment of trade receivables

As at 31 March 2019, the carrying amount of trade receivables relating to the Group's different revenue segments – EBU and MBU before impairment loss is S$29,380,000.

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

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

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances. The forecast economic conditions and Group's historical credit loss experience may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables are disclosed in Note 38 (b) to the financial statements.

(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 current income tax liabilities at reporting date are S$326,000 (31 March 2018: S$1,000; 1 April 2017: S$18,000).

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$16,984,000 (2018: S$15,308,000) and S$1,993,000 (2018: S$2,505,000) 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$4,804,000 (2018: S$4,609,000).

3 Critical accounting estimates, assumptions and judgements (continued)

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

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 2019 and annual depreciation charge for the financial year ended 31 March 2019 are disclosed in Note 22. 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$397,000 (2018: S$361,000) or increased by S$555,000 (2018: S$869,000) respectively.

(d) *Classification of associated company*

Judgement 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 13.96% (2018: 13.46%) 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 2019

4 Revenue

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

	At a point in time S$'000	Over time S$'000	Total S$'000
2019			
Electronic components distribution business unit ("EBU")			
- People's Republic of China	71,037	–	71,037
- United States of America	7,408	–	7,408
- India	6,820	–	6,820
- Singapore	21,573	–	21,573
- Malaysia	10,724	–	10,724
- Indonesia	582	–	582
- Thailand	8,764	–	8,764
- Vietnam	9,692	–	9,692
- Other countries	8,425	–	8,425
	145,025	–	145,025
Mechanical business unit ("MBU")			
- Singapore	7,961	563	8,524
- Malaysia	5,648	88	5,736
- Indonesia	4,118	–	4,118
- Other countries	57	231	288
	17,784	882	18,666
	162,809	882	163,691
2018			
Electronic components distribution business unit ("EBU")			
- People's Republic of China	69,001	–	69,001
- United States of America	5,567	–	5,567
- India	16,954	–	16,954
- Singapore	27,382	–	27,382
- Malaysia	8,902	–	8,902
- Indonesia	3,711	–	3,711
- Thailand	7,230	–	7,230
- Vietnam	6,827	–	6,827
- Other countries	6,250	–	6,250
	151,824	–	151,824
Mechanical business unit ("MBU")			
- Singapore	2,311	70	2,381
- Malaysia	5,249	108	5,357
- Other countries	349	43	392
	7,909	221	8,130
	159,733	221	159,954

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

5 Other income

	Group	
	2019	2018
	S$'000	S$'000
Government grants		
- Temporary employment credit	4	13
- Special employment credit	11	1
- Productivity and Innovation Credit cash payout	1	9
- Wage credit scheme	18	15
Dividend income	9	17
Sales of scrap and other materials	99	11
Service income	*	111
Others	71	116
	213	293

* Amount less than S$1,000.

6 Other gains - net

	Group	
	2019	2018
	S$'000	S$'000
(Loss)/gain on disposal of property, plant and equipment	(1)	233
Currency exchange (losses)/gains - net	(51)	2,315
Gain from bargain purchase (Note 40(c))	1,124	–
Others	–	71
	1,072	2,619

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

7 Expenses by nature

	Group	
	2019	**2018**
	S$'000	**S$'000**
Purchase of inventories	146,356	147,510
Amortisation of intangible assets (Note 23(d))	467	629
Depreciation of property, plant and equipment (Note 22)	739	552
Total amortisation and depreciation	1,206	1,181
Bad debts written off	15	5
Commission expenses	750	360
Directors' fees	159	187
Employee compensation (Note 8)	9,442	6,123
Fees on audit services paid/payable to:		
- Auditor of the Company	166	131
- Other auditors*	46	47
Fees on non-audit services paid/payable to auditor of the Company	20	25
Total fees on audit and non-audit services	232	203
Freight charges	649	828
Inventory written-down	–	149
Packing materials	73	144
Professional fees	708	423
Rental expenses on operating leases	563	315
Travelling, transportation and entertainment	603	999
Utilities	1,571	622
Workshop, repair and maintenance	623	763
Changes in inventories	(3,931)	(501)
Other expenses	2,040	2,048
Total cost of sales, administrative, and selling and distribution expenses	161,059	161,359

* Includes the network of member firms of Nexia International.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

8 Employee compensation

	Group	
	2019	2018
	S$'000	S$'000
Wages and salaries	8,348	5,025
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	621	622
Other short-term benefits	473	476
	9,442	6,123

9 Finance expenses

	Group	
	2019	2018
	S$'000	S$'000
Interest expense:		
- Bank overdraft	78	21
- Bank borrowings	880	484
- Finance lease liabilities	3	1
- Loan from immediate and ultimate holding corporation		
(i) Convertible loan (Note 26)	–	131
(ii) Direct loan	46	507
- Loan from a related party	74	32
	1,081	1,176

10 Income tax expense

(a) Income tax expense

	Group	
	2019	2018
	S$'000	S$'000
Tax expense attributable to profit is made up of:		
Profit for the financial year:		
Current income tax		
- Singapore	215	–
- Foreign	36	4
	251	4
Deferred income tax (Note 10(c))	(13)	–
Under provision in prior financial year		
- Current income tax - Foreign	225	–
	463	4

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10 Income tax expense (continued)

(a) Income tax expense (continued)

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
Profit before income tax	3,342	936
Less: Share of profit of associated company, net of tax (Note 21)	(662)	(696)
Profit before income tax and share of profit of associated company	2,680	240
Tax calculated at tax rate of 17% (2018: 17%)	456	41
Effects of:		
- Different tax rate in other countries	*	(59)
- Expenses not deductible for tax purposes	732	615
- Income not subject to tax	(718)	(239)
- Tax exemption	(79)	–
- Utilisation of previously unrecognised capital allowances and tax losses	(442)	(378)
- Deferred tax assets not recognised	293	25
- Under provision in prior financial year	225	–
- Others	(4)	(1)
	463	4

(b) Movement in current income tax liabilities

	Group	
	2019	**2018**
	S$'000	**S$'000**
Beginning of financial year	1	18
Currency translation differences	–	*
Acquisition of subsidiary corporations (Note 40(c))	60	–
Income tax paid	(211)	(21)
Tax expense	476	4
End of financial year	326	1

*Amount less than S$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

10 Income tax expense (continued)

(c) Deferred income taxes

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

	Group	
	2019	**2018**
	S$'000	**S$'000**
Deferred tax liabilities		
- To be settled within one year	20	–
- To be settled after one year	96	–
	116	–

Movement in deferred income tax liabilities account is as follows:

	Group	
	2019	**2018**
	S$'000	**S$'000**
Fair value of property, plant and equipment		
Beginning of financial year	–	–
Acquisition of subsidiary corporations (Note 40(c))	129	–
Tax credited to profit or loss (Note 10(a))	(13)	–
End of financial year	116	–

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$16,984,000 (2018: S$15,308,000) and S$1,993,000 (2018: S$2,505,000) 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$11,594,000 and S$108,000 (2018: S$11,436,000 and S$108,000) which can only be carried forward up to 5 and 7 years.

11 Earnings per share

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

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

For warrants, the weighted average number of shares on issue has been adjusted as if all dilutive warrants were exercised. The number of shares that could have been issued upon the exercise of all dilutive warrants less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the net profit.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

11 Earnings per share (continued)

	31 March	
	2019	2018
	S$'000	S$'000
Net profit attributable to equity holders of the Company	2,705	932
Weighted average number of ordinary shares outstanding for basic earnings per share	979,935	609,967
Adjustments for:		
- warrants	255,613	18,908
Weighted average number of ordinary shares outstanding for diluted earnings per share	1,235,548	628,875
Basic and diluted earnings per share (cents per share)	0.22	0.15

The outstanding warrants were not assumed to be exercised because they were anti-dilutive during the financial years ended 31 March 2019 and 2018 where the exercise price of S$0.045 per unit exceeded the average market of S$0.027 (2018: S$0.042) per unit and no change was made to the diluted earnings per share.

12 Cash and cash equivalents

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Cash and bank balances	4,376	6,883	9,379	117	664	9
Short-term bank deposits	958	2,236	1,954	–	–	–
	5,334	9,119	11,333	117	664	9

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

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Cash and bank balances (as above)	5,334	9,119	11,333
Less: Bank deposits pledged for banking facilities	(958)	(2,236)	(1,954)
Less: Bank overdrafts (Note 25)	(1,741)	(442)	–
Cash and cash equivalents per consolidated statement of cash flows	2,635	6,441	9,379

Bank deposits are pledged with financial institutions to secure certain banking facilities which will be utilised for funding of the working capital of the Group (Note 25).

Please refer to Note 40(b) for the effect of acquisition of subsidiary corporations on cash flows of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

13 Financial assets, at FVPL

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Held for trading			
Listed equity securities - Singapore	33	33	33

14 Financial assets, available-for-sale

	Group and Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Beginning of financial year	1,402	–	–
Reclassification on adoption of SFRS(I) 9 at 1 April 2018 (Note 15)	(1,402)	–	–
Additions	–	2,302	–
Fair value loss recognised in other comprehensive income (Note 33(b)(iv))	–	(900)	–
End of financial year	–	1,402	–

Available-for-sale financial assets are analysed as follows:

	Group and Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Listed securities - Malaysia			
Current			
- Quoted redeemable convertible preference shares (Note 15 (a))	–	1,116	–
Non-current			
- Quoted equity securities (Note 15 (b))	–	286	–
	–	1,402	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

15 Financial assets, at FVOCI

	Group and Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Beginning of financial year	–	–	–
Reclassification on adoption of SFRS(I) 9 at 1 April 2018 (Note 14)	1,402	–	–
Disposals	(120)	–	–
Fair value loss recognised in other comprehensive income (Note 33(b)(iv))	(258)	–	–
End of financial year	1,024	–	–

Financial assets, at FVOCI are analysed as follows:

	Group and Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Listed securities - Malaysia			
Current			
- Quoted redeemable convertible preference shares (Note a)	934	–	–
Non-current			
- Quoted equity securities (Note b)	90	–	–
	1,024	–	–

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

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

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

(b) The Company held (i) 15,300 (31 March 2018: 250,000) shares in a listed company in Malaysia, which is primarily involved in the manufacturing and marketing of steel coils and (ii) 342,000 (31 March 2018: 500,000) shares in a listed company in Malaysia, which is primarily involved in the real estate developments.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

16 Trade and other receivables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Trade receivables						
- Non-related parties	29,102	24,503	20,522	–	–	–
- Related parties	278	590	–	–	–	–
	29,380	25,093	20,522	–	–	–
Less: Loss allowance – Non-related parties (Note 38(b)	(325)	(143)	(21)	–	–	–
Trade receivables - net	29,055	24,950	20,501	–	–	–
Non-trade receivables						
- Non-related parties	1,046	1,559	1,058	6	48	51
- Subsidiary corporations	–	–	–	30,983	32,244	34,645
- Related parties	102	157	106	–	32	–
	1,148	1,716	1,164	30,989	32,324	34,696
Less: Loss allowance (Note 38(b)						
- Non-related parties	(303)	(297)	(363)	–	–	–
- Subsidiary corporations	–	–	–	(9,019)	(12,542)	(12,542)
Non-trade receivables - net	845	1,419	801	21,970	19,782	22,154
Advance to suppliers	647	714	1,098	–	–	–
	30,547	27,083	22,400	21,970	19,782	22,154

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

17 Inventories

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Raw materials	829	530	439
Work-in-progress	–	–	188
Finished goods	988	649	469
Trading goods	18,376	13,798	13,529
	20,193	14,977	14,625

The cost of inventories recognised as an expense and included in "cost of sales" amounted to S$142,425,000 (2018: S$147,158,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

18 Other current assets

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Deposits	1,046	578	490	3	3	3
Prepayments	417	289	143	–	13	18
Properties held-in-trust (Note 19)	7,300	7,300	–	–	–	–
	8,763	8,167	633	3	16	21

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

	Group	
	31 March	
	2019	2018
	S$'000	S$'000
Beginning of financial year	–	7,300
Reclassified to other current assets (Note 18)	–	(7,300)
End of financial year	–	–

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

As the loans provided by each financial institution to WEC for the Excluded Properties were not directly transferable to the Vendor, the Excluded Properties continued to be presented as "Non-current assets classified as held-for-sale" on the Statements of Financial Position as at 1 April 2017.

During the financial year ended 31 March 2018, WEC had agreed in-principal to accept the terms of the new financing from another financial institution with the Excluded Properties to be pledged as collateral to secure the banking facilities.

In addition, WEC became an indirect subsidiary corporation of the Vendor following the conversion of the convertible loan issued by the Company. In view of these events, management has assessed that it was not highly probable that the Excluded Properties can be transferred within the next 12 months and as the Vendor remained to have the rights over the Excluded Properties, which can be exercised anytime at the agreed consideration of S$7,300,000, management was of the view that the Excluded Properties shall be reclassified as "Properties held-in-trust" under other current assets and measured as cost as at 31 March 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20 Investments in subsidiary corporations

	Company 31 March 2019 S$'000	Company 31 March 2018 S$'000
Equity investments at cost		
Beginning of financial year	42,966	42,966
Additions (Note 40(a))	3,000	–
End of financial year	45,966	42,966
Allowance for impairment loss		
Beginning of financial year	25,505	25,505
Reversal of impairment loss	(3,995)	–
End of financial year	21,510	25,505
Net carrying amount	24,456	17,461

As at 31 March 2019, management has assessed that there is no indication that the Company's investments in subsidiary corporations may be required additional impairment, accordingly impairment test is not required.

During the financial year, a reversal of impairment loss of S$3,995,000 in subsidiary corporation was recognised in the EBU segment in Singapore due to the recoverable amount is higher than the carrying amount of the cost of investment in the subsidiary corporation.

Details of subsidiary corporations are as follows:

Name	Country of incorporation/ Principal place of business	Principal activities	Proportion of ordinary shares directly held by parent			Proportion of ordinary shares directly held by Group		
			31 March		1 April	31 March		1 April
			2019	2018	2017	2019	2018	2017
			%	%	%	%	%	%
Held by the Company								
Jubilee Industries (S) Pte Ltd [(a)]	Singapore	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100	100	100
E'Mold Holding Pte Ltd [(a)]	Singapore	Investment holding	100	100	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name	Country of incorporation/ Principal place of business	Principal activities	Proportion of ordinary shares directly held by parent			Proportion of ordinary shares directly held by Group		
			31 March		1 April	31 March		1 April
			2019	2018	2017	2019	2018	2017
			%	%	%	%	%	%
Held by the Company (continued)								
J Capital Pte Ltd [(a)]	Singapore	Investment holding	100	100	100	100	100	100
WE Components Pte Ltd [(a)]	Singapore	Trading in electronic components	100	100	100	100	100	100
Honfoong Plastic Industries Pte Ltd [(a)]	Singapore	Manufacturer and dealer of precision plastic and metal mould	70	–	–	70	–	–
Held by subsidiary corporations								
We Total Engineering Sdn Bhd [(b)]	Malaysia	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100	100	100
E'Mold Manufacturing (Kunshan) Co. Ltd [(c)] (Audited by Suzhou Jing An Certified Public Accountants Co., Ltd)	People's Republic of China	Manufacturer and dealer of precision plastic and metal mould	100	100	100	100	100	100
WE Components (Shanghai) Co Ltd [(c)] (Audited by Shangzi Certified Public Accountants Co., Ltd)	People's Republic of China	Trading in electronic components	100	100	100	100	100	100
WE Components Co Ltd [(c)] (Audited by BZY Audit (Thailand) Limited)	Thailand	Trading in electronic components	100	100	100	100	100	100
WE Components (Hong Kong) Limited [(d)]	Hong Kong	Trading in electronic components	100	100	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20 Investments in subsidiary corporations (continued)

Details of subsidiary corporations are as follows: (continued)

Name	Country of incorporation/ Principal place of business	Principal activities	Proportion of ordinary shares directly held by parent			Proportion of ordinary shares directly held by Group		
			31 March 2019 %	31 March 2018 %	1 April 2017 %	31 March 2019 %	31 March 2018 %	1 April 2017 %
Held by subsidiary corporations (continued)								
WE Components (Shenzhen) Co Ltd [e]	People's Republic of China	Trading in electronic components	100	100	100	100	100	100
Kin Wai Technology Ltd [d]	British Virgin Islands/ People's Republic of China	Trading in electronic components	100	100	100	100	100	100
WE Microelectronics Pte Ltd [a]	Singapore	Trading in electronic components	100	100	100	100	100	100
WE Components (Penang) Sdn Bhd [c] (Audited by SH Tham)	Malaysia	Trading in electronic components	100	100	100	100	100	100
WE Components India Pvt Ltd [c] (Audited by Vasanth & Co)	India	Trading in electronic components	100	100	100	100	100	100
PT Honfoong Plastic Industries [f]	Indonesia	Manufacturer and dealer of precision plastic and metal mould	100	–	–	70	–	–

[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 local statutory audit purpose. For the purpose of preparing the consolidated financial statements, financial statements of We Total Engineering Sdn Bhd have been audited by Nexia TS Public Accounting Corporation.

[c] Audited by other independent auditors other than member firms of Nexia International for local statutory audit purposes. Their names are indicated as above.

[d] Audited by Fan, Chan & Co, a member firm of Nexia International for consolidation purposes.

[e] The subsidiary corporation is dormant and does not require an audit. It is not significant to the Group.

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

20 Investments in subsidiary corporations (continued)

Significant restrictions

Cash and cash equivalents of S$489,000 (2018: S$640,934) are held in the People's Republic of China and are subject to local exchange control regulations. These local exchange control regulations provide for restrictions on exporting capital from the country, other than through normal dividends.

Carrying value of non-controlling interest

	31 March 2019 S$'000
Honfoong Plastic Industries Pte Ltd and its subsidiary corporations ("Honfoong Group")	1,120

Summarised financial information of subsidiary corporations with material non-controlling interests

Set out below are the summarised financial information that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations and the summarised statement of comprehensive income presented is in relation to Honfoong Group's financial results from the date of acquisition to 31 March 2019.

There were no transactions with non-controlling interests for the financial years ended 31 March 2019.

Summarised statement of financial position

	31 March 2019 S$'000
Current	
Assets	3,886
Liabilities	(5,715)
Total current net liabilities	(1,829)
Non-current	
Assets	833
Liabilities	–
Total non-current net assets	833
Net liabilities	(996)

Summarised statement of comprehensive income

	2019 S$'000
Revenue	10,197
Loss before income tax	(319)
Income tax expense	(225)
Net loss	(544)
Other comprehensive income	–
Total comprehensive loss	(544)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

20 Investments in subsidiary corporations (continued)

Summarised cash flows statement

	2019 S$'000
Cash flows from operating activities	
Cash generated from operations	394
Income tax paid	(225)
Net cash provided by operating activities	169
Net cash used in investing activities	(30)
Net cash used in financing activities	(101)
Net increase in cash and cash equivalents	38
Cash and cash equivalents at beginning of financial year	(1,228)
Cash and cash equivalents at end of financial year	(1,190)

21 Investment in associated company

	Group 31 March		Company 31 March	
	2019 S$'000	2018 S$'000	2019 S$'000	2018 S$'000
Beginning of financial year	10,166	8,477	10,592	9,722
Additions	342	870	342	870
Share of profit (Note 10(a))	662	696	–	–
Share of other comprehensive income/(loss) (Note 33(b)(ii))	132	(479)	–	–
Currency translation differences	(1)	602	–	–
End of financial year	11,301	10,166	10,934	10,592

Acquisition of interest in an associated company

In March 2018, the Company acquired an aggregate of 4,642,500 ordinary shares of the associated company for a cash consideration of S$870,000. Accordingly, the Company's ownership interest has increased from 11.8% to 13.46%.

During the financial year ended March 2019, the Company acquired another 2,005,000 ordinary shares of the associated company for a cash consideration of S$342,000. As a result, the Company's ownership interest has increased from 13.46% to 13.96%.

Set out below is the associated company of the Group and the Company as at 31 March 2019, 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

21 Investment in associated company (continued)

Name of entity	Principal activities	Country of incorporation	% of ownership interest 31 March 2019	31 March 2018	1 April 2017
EG Industries Berhad [(a)]	Provision of electronics manufacturing services for electronics, electrical, telecommunication and automotive industries products	Malaysia	13.96%	13.46%	11.80%

(a) Audited by UHY Chartered Accountants, Malaysia.

Part of the Company's investment in associated company amounting to S$3,637,000 (31 March 2018: S$3,397,000; 1 April 2017: S$1,358,000) has been pledged as security for the Company's margin facility account (Note 25). 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.

As at 31 March 2019, the fair value of the Group's interest in EG, which is listed in Bursa Malaysia Securities Berhad was S$5,792,929 (31 March 2018: S$6,539,042; 1 April 2017: S$7,095,000). 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 and past financial years and the 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

	31 March 2019 S$'000	31 March 2018 S$'000	1 April 2017 S$'000
Current assets	158,112	162,863	153,447
Includes:			
Cash and cash equivalents	13,447	19,920	9,807
Current liabilities	118,867	116,325	120,833
Includes:			
Financial liabilities (excluding trade payables)	63,328	66,153	67,710
Non-current assets	74,003	67,019	58,748
Non-current liabilities	3,666	4,465	6,478
Includes:			
Financial liabilities (excluding trade payables)	3,516	4,316	6,403
Net assets	109,582	109,092	84,884

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

21 Investment in associated company (continued)

Summarised financial information for associated company (continued)

Summarised statement of comprehensive income

	31 March	
	2019	**2018**
	S$'000	**S$'000**
Revenue	327,230	331,665
Interest income	129	250
Expenses		
Includes:		
- Depreciation	10,333	10,371
- Interest expense	2,539	2,862
Profit before income tax	4,722	5,567
Income tax (expenses)/credit	(14)	329
Net profit	4,708	5,896
Other comprehensive income/(loss)	948	(4,038)
Total comprehensive income	5,656	1,858

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:

	31 March	
	2019	**2018**
	S$'000	**S$'000**
Equity attributable to shareholders of the associated company		
At beginning of financial year	109,092	84,884
Profit for the financial year	4,708	5,896
Other comprehensive income/(loss) for the financial year	948	(4,038)
Purchase of treasury shares	(3,220)	–
Redeemable convertible preference shares ('RCPS'), resale of treasury shares, rights issue with warrants, and private placement	–	16,365
Currency translation differences	(1,946)	5,985
At end of financial year	109,582	109,092
Interest in associated company (2019: 13.96%; 2018: 13.46%)	15,298	14,684
Fair value adjustment	(1,534)	(1,534)
Effect of changes in equity	(1,753)	(2,203)
Effect of additional in investment in associated company	(1,140)	(941)
Other adjustment	430	160
Carrying value of the Group's interest in the associated company	11,301	10,166

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

22 Property, plant and equipment

	Leasehold properties 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							
2019							
Cost							
Beginning of financial year	–	13,078	291	2,410	349	4,208	20,336
Currency translation differences	–	(128)	(1)	(14)	(5)	(28)	(176)
Additions	–	378	102	82	6	109	677
Disposals	–	(10)	(15)	(5)	–	–	(30)
Acquisition of subsidiary corporations (Note 40(c))	5,720	724	19	46	1	130	6,640
End of financial year	5,720	14,042	396	2,519	351	4,419	27,447
Accumulated depreciation							
Beginning of financial year	–	12,413	241	2,273	327	4,098	19,352
Currency translation differences	–	(119)	(1)	(15)	(5)	(26)	(166)
Depreciation charge (Note 7)	220	363	39	56	5	56	739
Disposals	–	(1)	(15)	(5)	–	–	(21)
End of financial year	220	12,656	264	2,309	327	4,128	19,904
Accumulated impairment losses							
Beginning of financial year	–	84	–	–	–	–	84
Currency translation differences	–	(1)	–	–	–	–	(1)
End of financial year	–	83	–	–	–	–	83
Net book value							
End of financial year	5,500	1,303	132	210	24	291	7,460

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

22 Property, plant and equipment (continued)

	Leasehold properties	Plant and machinery	Motor vehicles	Office equipment and tools	Furniture and electrical fittings	Renovations	Total
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Group							
2018							
Cost							
Beginning of financial year	–	20,876	427	2,510	1,258	4,213	29,284
Currency translation differences	–	641	7	64	32	119	863
Additions	–	404	2	22	–	91	519
Disposals	–	(8,843)	(145)	(186)	(941)	(215)	(10,330)
End of financial year	–	13,078	291	2,410	349	4,208	20,336
Accumulated depreciation							
Beginning of financial year	–	18,813	310	2,315	1,128	4,174	26,740
Currency translation differences	–	588	4	61	30	115	798
Depreciation charge (Note 7)	–	407	58	56	7	24	552
Disposals	–	(7,395)	(131)	(159)	(838)	(215)	(8,738)
End of financial year	–	12,413	241	2,273	327	4,098	19,352
Accumulated impairment losses							
Beginning of financial year	–	928	4	1	17	5	955
Currency translation differences	–	15	–	–	–	–	15
Disposals	–	(859)	(4)	(1)	(17)	(5)	(886)
End of financial year	–	84	–	–	–	–	84
Net book value							
At 31 March 2018	–	581	50	137	22	110	900
At 1 April 2017	–	1,135	113	194	113	34	1,589

(a) Included within additions in the consolidated financial statements are motor vehicles acquired under finance leases amounting to S$83,000 (31 March 2018 and 1 April 2017: Nil).

The carrying amounts of motor vehicles held under finance leases are S$70,000 (31 March 2018: S$400; 1 April 2017: S$5,000) at reporting date (Note 25).

(b) Certain bank overdraft of the Group are secured on the leasehold properties of the Group with carrying amounts of S$517,000 (31 March 2018 and 1 April 2017: Nil) (Note 25).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

22 Property, plant and equipment (continued)

	Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Office equipment			
Cost			
Beginning of financial year	5	3	3
Additions	–	2	–
End of financial year	5	5	3
Accumulated depreciation			
Beginning of financial year	3	3	3
Depreciation charge	1	*	–
End of financial year	4	3	3
Net book value			
End of financial year	1	2	–

*Amount less than S$1,000

23 Intangible assets

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Composition:						
Goodwill arising on consolidation (Note (a))	–	–	–	–	–	–
Computer software licenses (Note (b))	30	67	229	8	32	84
Distribution rights (Note (c))	2,137	2,565	3,028	–	–	–
	2,167	2,632	3,257	8	32	84

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

23 Intangible assets (continued)

(a) Goodwill arising on consolidation

	Group 31 March	
	2019	**2018**
	S$'000	**S$'000**
Cost		
Beginning of financial year	2,332	2,332
Write off	(2,332)	–
End of financial year	–	2,332
Accumulated impairment		
Beginning of financial year	(2,332)	(2,332)
Write off	2,332	–
End of financial year	–	(2,332)
Net book value		
End of financial year	–	–

(b) Computer software licenses

	Group 31 March		Company 31 March	
	2019	**2018**	**2019**	**2018**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cost				
Beginning of financial year	717	1,013	266	266
Currency translation differences	–	4	–	–
Additions	2	3	–	–
Write-off	–	(303)	–	–
End of financial year	719	717	266	266
Accumulated amortisation				
Beginning of financial year	650	784	234	182
Currency translation differences	–	3	–	–
Amortisation charge	39	166	24	52
Write-off	–	(303)	–	–
End of financial year	689	650	258	234
End of financial year	30	67	8	32

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

23 Intangible assets (continued)

(c) Distribution rights

	Group 31 March 2019 S$'000	Group 31 March 2018 S$'000
Cost		
Beginning and end of financial year	3,327	3,327
Accumulated impairment		
Beginning of financial year	762	299
Amortisation charge	428	463
End of financial year	1,190	762
Net book value		
End of financial year	2,137	2,565

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

	Group 2019 S$'000	Group 2018 S$'000
Administrative expenses (Note 7)	467	629

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

24 Trade and other payables

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Trade payables						
- Non-related parties	11,957	18,638	19,019	–	–	–
- Related parties	–	1,390	1,481	–	–	–
	11,957	20,028	20,500	–	–	–
Non-trade payables						
- Non-related parties	1,759	1,781	1,721	109	142	93
- Immediate and ultimate holding corporation	3,585	8,395	–	7,465	8,705	9,578
- Subsidiary corporations	–	–	–	5,354	4,938	4,923
- Related parties	4,848	1,176	10,376	700	–	–
	10,192	11,352	12,097	13,628	13,785	14,594
Deposit received	–	1,000	–	–	1,000	–
Accrued operating expenses [(a)]	2,827	1,021	776	190	169	142
Advances received from customers	782	703	682	–	–	–
	25,758	34,104	34,055	13,818	14,954	14,736

The non-trade payables due to immediate and ultimate holding corporation, subsidiary corporations and related parties are unsecured, interest-free and payable on demand, except for payable to a related party of S$3,397,000 (31 March 2018: S$1,140,000; 1 April 2017: Nil) which bears interest of 7.4% (31 March 2018: 4% per annum; 1 April 2017: Nil).

(a) Included in accrued operating expenses is provision for post employee benefits amounting to S$1,401,000 (31 March 2018 and 1 April 2017: Nil) which were made available to employees in the Indonesian subsidiary corporation in accordance with the Indonesian Labour Law and management judgement and appraisal of the employees.

The significant actuarial assumptions used are as follows:

	Group	
	31 March	
	2019	2018
	S$'000	S$'000
Discount rate	8.5%	–
Salary growth rate	8.0%	–

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

25 Borrowings

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Current						
Bank overdrafts (Note 12)	1,741	442	–	–	–	–
Bank borrowings	16,015	4,533	–	1,773	1,522	–
Finance lease liabilities (Note 27)	11	*	4	–	–	–
Loan from immediate and ultimate holding corporation	925	–	–	925	–	–
Convertible loan (Note 26)	–	–	10,660	–	–	10,660
	18,692	4,975	10,664	2,698	1,522	10,660
Non-current						
Finance lease liabilities (Note 27)	46	–	–	–	–	–
Loan from immediate and ultimate holding corporation	–	896	11,363	–	896	11,363
	46	896	11,363	–	896	11,363
Total borrowings	18,738	5,871	22,027	2,698	2,418	22,023

*Amount less than S$1,000

Loan from immediate and ultimate holding corporation is unsecured, bears interest of 5% per annum and is repayable in full on or before 6 October 2019.

On 6 March 2018, the Company made partial settlement of the principal and interest of the loan amounting to S$10,437,000 (Note 29) by way of allotment and issuance of 231,914,929 rights shares and 231,914,929 free warrants.

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		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
6 months or less	17,756	4,975	–	1,773	1,522	–

25 Borrowings (continued)

(a) Security granted

Bank overdrafts of the Group are secured by the immediate and ultimate holding corporation's bank deposits of S$515,000 (31 March 2018: S$507,000; 1 April 2017: Nil), certain bank deposits of S$363,000 (31 March 2018 and 1 April 2017: Nil) (Note 12), personal guarantee by the directors of the subsidiary corporations, debenture of the subsidiary corporations and certain leasehold properties of the Group (Note 22).

Bank borrowings of the Group and of the Company are secured by the investment in associated company of S$3,637,000 (31 March 2018: S$3,397,000; 1 April 2017: S$1,358,000) of the Company (Note 21), certain bank deposits of S$595,000 (31 March 2018: S$2,236,000; 1 April 2017: Nil) (Note 12) and also secured by the corporate guarantee of the immediate and ultimate holding corporation.

Finance lease liabilities of the Group are effectively secured over the leased motor vehicles (Note 22) as the legal title are retained by the respective lessors and will be transferred to the Group upon full settlement of the finance lease liabilities. The financial lease liabilities are also secured by the corporate guarantee of the Company.

(b) Fair value of non-current borrowings

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Loan from immediate and ultimate holding corporation	–	869	11,001

The fair value is 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		
	31 March		1 April
	2019	2018	2017
	%	%	%
Loan from immediate and ultimate holding corporation	–	5.33	5.28

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

26 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 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

26 Convertible loan (continued)

The fair value of the liability component, included in current borrowings, was 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, was included in shareholders' equity in other reserves (Note 33(b)(iii)), net of deferred income taxes.

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

	Group and Company	
	31 March	
	2019	2018
	S$'000	S$'000
Liability component at beginning of financial year	–	10,660
Interest expense (Note 9)	–	131
Issuance of shares pursuant to conversion of convertible loan (Note 29)	–	(10,791)
	–	–

As at 1 April 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"). Following the receipt of Conversion Notice, the Company issued 338,006,296 shares with fair value of S$0.0324 per share at the conversion date, amounting to S$10,791,000 (Note 29).

Following the conversion exercise, the shareholding of the related party in the ordinary shares of the Company increased from 29.1% to 64.8%, accordingly, the Company is classified as a subsidiary corporation of the related party.

27 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		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Minimum lease payment due:			
Not later than one year	16	*	5
Between two to five years	53	–	–
	69	*	5
Less: Finance charges	(12)	*	(1)
Present value of finance lease liabilities	57	*	4
Analysed as:			
- Not later than one year (Note 25)	11	*	4
- Between two to five years (Note 25)	46	–	*
	57	*	4

*Amount less than S$1,000

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

28 Provision

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Current			
Restructuring	–	–	713

Movement in provision for restructuring is as follows:

	Group	
	31 March	
	2019	2018
	S$'000	S$'000
Beginning of financial year	–	713
Currency translation differences	–	9
Payment	–	(722)
End of financial year	–	–

The restructuring of the MBU segment in the People's Republic of China has resulted in retrenchment of 116 employees. Estimated staff redundancy costs amounting to S$724,000 was recognised in the financial year ended 31 March 2017. The restructuring has been completed in the previous financial year. In conjunction with the restructuring exercise, the Company has recognised full impairment for its investment in the respective CGU and the Group has recognised impairment of S$640,000 in respect of property, plant and equipment. The Group will continue to operate the MBU segment in the People's Republic of China in a smaller scale to fulfil remaining customers' orders while exploring other opportunities.

29 Share capital and treasury shares

	Number of ordinary shares		Amount	
	Issued share capital	Treasury shares	Share capital	Treasury shares
	'000	'000	S$'000	S$'000
Group and Company				
2019				
Beginning of financial year	941,845	(13,682)	70,279	(736)
Shares issued pursuant to:				
- placement	30,030	–	1,000	–
- acquisition of subsidiary corporations	55,556	–	2,000	–
End of financial year	1,027,431	(13,682)	73,279	(736)
2018				
Beginning of financial year	348,226	(13,682)	48,975	(736)
Share issued pursuant to:				
- conversion of convertible loan	338,006	–	10,951	–
- rights issue	255,613	–	10,353	–
End of financial year	941,845	(13,682)	70,279	(736)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

29 Share capital and treasury shares (continued)

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

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

On 16 May 2018, the Company issued 30,030,030 shares at a subscription price of S$0.0333 per share, for a total cash consideration of S$1,000,000 as additional working capital of the Group.

On 31 July 2018, the Company issued 55,555,555 shares with fair value of S$0.036 per share determined by closing share price of the Company at the acquisition date, amounting to S$2,000,000 as part of the total consideration of the acquisition of Honfoong Plastic Industries Pte Ltd (Note 40(a)).

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

During the previous financial year, the Company received a Conversion Notice from the related party to exercise the conversion rights to convert the Convertible Loan into ordinary shares. Following the receipt of Conversion Notice, the Company issued 338,006,296 shares with fair value of (i) S$0.0324 per share at the conversion date, amounted to S$10,791,000 (Note 26) and (ii) transferred the equity component of convertible loan amounted to S$161,000 (Note 33(b)(iii)) to share capital.

The Company also issued 255,613,108 rights shares cum warrants as part of (i) subscription of rights issue by non-controlling shareholders, amounted to S$1,066,000 and (ii) repayment of the Direct Loan to immediate and ultimate holding corporation, amounted to S$10,437,000 (Note 25). The allocation of total proceed from the rights issue of S$11,503,000 between share capital and warrant reserve amounted to S$10,353,000 and S$1,150,000 (Note 30) respectively. The newly issued shares rank *pari passu* in all respects with the previously issued shares.

30 Warrants reserve

During the previous financial year, the Company allotted 255,613,108 rights issue of S$0.045 each together with 255,613,108 free detachable warrants on the basis of one (1) free warrant for every one (1) rights share subscribed.

The warrants reserve represents the fair value of the deemed consideration allocated for issuance of Warrants 2018/2020 of S$1,150,000 (Note 29). When the warrants are exercised or expired, the warrants reserve will be transferred to share capital within equity.

31 Statutory reserve

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

32 Capital reserve

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

33 Other reserves

(a) Composition

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Currency translation reserve	1,560	878	1,055	–	–	–
Share of other comprehensive income/ (loss) of associated company	69	(63)	416	–	–	–
Equity component of convertible loan	–	–	161	–	–	161
Fair value reserve	(1,052)	(900)	–	(1,052)	(900)	–
	577	(85)	1,632	(1,052)	(900)	161

(b) Movements:

(i) Currency translation reserve

	Group and Company	
	31 March	
	2019	2018
	S$'000	S$'000
Beginning of financial year	878	1,055
Net currency translation differences of financial statements of foreign entities – gains/(losses)	682	(177)
End of financial year	1,560	878

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

	Group and Company	
	31 March	
	2019	2018
	S$'000	S$'000
Beginning of financial year	(63)	416
Share of comprehensive income/(loss) of associated company (Note 21)	132	(479)
End of financial year	69	(63)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

33 Other reserves (continued)

(b) Movements: (continued)

(iii) Equity component of convertible loan

	Group and Company 31 March 2019 S$'000	Group and Company 31 March 2018 S$'000
Beginning of financial year	–	161
Issuance of shares (Note 29)	–	(161)
End of financial year	–	–

(iv) Fair value reserve

	Group and Company 31 March 2019 S$'000	Group and Company 31 March 2018 S$'000
Beginning of financial year	(900)	–
Transfer upon disposal of financial assets (Note 34)	106	–
Fair value loss on financial assets, at FVOCI (Note 15)	(258)	–
Fair value loss on available-for-sale financial assets (Note 14)	–	(900)
End of financial year	(1,052)	(900)

34 Accumulated losses

Movement in accumulated losses of the Company is as follows:

	31 March 2019 S$'000	31 March 2018 S$'000
Beginning of financial year	(37,072)	(35,566)
Total comprehensive income/(loss)	6,676	(1,506)
Transfer upon disposal of investments (Note 33(b)(iv))	(106)	–
End of financial year	(30,502)	(37,072)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

35 Contingent liabilities

(a) Corporate guarantees

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$2,712,000 (31 March 2018: S$1,963,000; 1 April 2017: S$5,581,000).

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 is 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.

36 Operating lease commitments

(a) Operating lease commitments – where the Group is a lessee

The Group leases offices, warehouses and worksite premises from 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		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Not later than one year	357	302	611
Between two and five years	368	19	347
	725	321	958

(b) Operating lease commitments – where the Group is a lessor

The Group and Company leases out office premises to a related party under a non-cancellable operating lease agreement. The lessee is required to pay a fixed lease payment during the lease period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

36 Operating lease commitments (continued)

(b) *Operating lease commitments – where the Group is a lessor* (continued)

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

	Group and Company		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Not later than one year	–	30	–
Between two and five years	–	120	–
	–	150	–

37 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	
	2019	2018
	S$'000	S$'000
Sales of goods to related parties	1,986	1,230
Purchase of goods and services from related parties	2	–
Rental and management fees charged to a related party	37	49

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 2019, arising from sale/purchase of goods and services, are unsecured and receivable/payable within 12 months from reporting date and are disclosed in Notes 16 and 24 respectively.

(b) *Key management personnel compensation*

Key management personnel compensation is as follows:

	Group	
	2019	2018
	S$'000	S$'000
Directors' fee	159	187
Wages and salaries	954	620
Employer's contribution to defined contribution plans including Central Provident Fund ("CPF")	49	46
Employee share award expense	72	–
Other short-term benefits	144	66
	1,378	919

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

37 Related party transactions

(b) Key management personnel compensation (continued)

	Group 2019 S$'000	Group 2018 S$'000
Analysed as:		
Directors of the Company	159	187
Other key management personnel		
- current	1,219	588
- former	–	144
	1,378	919

38 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 the policies for managing each of these risks and they are summarised below.

(a) Market risk

(i) Currency risk

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 2019

38 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

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

	SGD S$'000	USD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group					
31 March 2019					
Financial Assets					
Cash and cash equivalents	1,170	2,479	434	1,251	5,334
Trade and other receivables	1,670	27,351	662	217	29,900
Inter-company balances	28,481	14,127	–	8,005	50,613
Other financial assets	776	–	207	63	1,046
Financial assets, at FVPL	33	–	–	–	33
Financial assets, at FVOCI	–	–	1,024	–	1,024
	32,130	43,957	2,327	9,536	87,950
Financial Liabilities					
Trade and other payables	7,212	14,859	1,425	1,480	24,976
Inter-company balances	28,481	14,127	–	8,005	50,613
Borrowings	3,140	13,767	1,831	–	18,738
	38,833	42,753	3,256	9,485	94,327
Net financial (liabilities)/assets	(6,703)	1,204	(929)	51	(6,377)
Add: Net financial assets/(liabilities) denominated in respective entities' functional currencies	6,703	(328)	179	(23)	6,531
Currency exposure of financial assets/ (liabilities)	–	876	(750)	28	154

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	USD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group					
31 March 2018					
Financial Assets					
Cash and cash equivalents	1,109	5,501	1,102	1,407	9,119
Trade and other receivables	1,120	24,006	840	403	26,369
Inter-company balances	25,524	11,384	96	10,207	47,211
Other financial assets	323	–	194	61	578
Financial assets at FVPL	33	–	–	–	33
Financial assets, available- for-sale	–	–	1,402	–	1,402
	28,109	40,891	3,634	12,078	84,712
Financial Liabilities					
Trade and other payables	6,668	23,976	1,769	988	33,401
Inter-company balances	25,524	11,384	96	10,207	47,211
Borrowings	1,337	3,012	1,522	–	5,871
	33,529	38,372	3,387	11,195	86,483
Net financial (liabilities)/assets	(5,420)	2,519	247	883	(1,771)
Add: Net financial assets/(liabilities) denominated in respective entities' functional currencies	5,420	107	(367)	(883)	4,277
Currency exposure of financial assets/ (liabilities)	–	2,626	(120)	–	2,506

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

38 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

	SGD S$'000	USD S$'000	MYR S$'000	Others S$'000	Total S$'000
Group					
1 April 2017					
Financial Assets					
Cash and cash equivalents	393	9,262	428	1,250	11,333
Trade and other receivables	527	19,585	583	607	21,302
Inter-company balances	48,878	10,738	149	12,629	72,394
Other financial assets	227	–	181	82	490
Financial assets at FVPL	33	–	–	–	33
	50,058	39,585	1,341	14,568	105,552
Financial Liabilities					
Trade and other payables	775	29,255	1,719	1,624	33,373
Inter-company balances	48,878	10,738	149	12,629	72,394
Borrowings	22,023	–	4	–	22,027
	71,676	39,993	1,872	14,253	127,794
Net financial (liabilities)/assets	(21,618)	(408)	(531)	315	(22,242)
Add: Net financial assets/(liabilities) denominated in respective entities' functional currencies	21,618	(246)	531	(315)	21,588
Currency exposure of financial liabilities	–	(654)	–	–	(654)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(a) Market risk (continued)

(i) Currency risk (continued)

If the USD and MYR change against the SGD by 3% (31 March 2018: 3%; 1 April 2017: 3%) with all other variables including tax rate being held constant, the effects arising from the net financial liability/asset position to the financial performance of the Group will be as follows:

	Profit after tax		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
USD against SGD			
- Strengthened	22	65	(16)
- Weakened	(22)	(65)	16
MYR against SGD			
- Strengthened	(44)	(38)	–
- Weakened	44	38	–

	Other comprehensive income/(loss)		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
MYR against SGD			
- Strengthened	25	35	–
- Weakened	(25)	(35)	–

(ii) Cash flow and fair value interest rate risks

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates. The Group's and the Company's interest rate risk mainly arise from bank borrowings at variable rates. The Group and the Company manage its interest rate risk by keeping bank borrowing to the minimum required to sustain the operations of the Group and the Company.

If the interest rates increase/decrease by 1% (2018: 1%) with all other variables including tax rate being held constant, net profit of the Group and the Company would have been lower/higher by S$1,776,000 and S$177,000 (2018: S$498,000 and S$152,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(a) Market risk (continued)

(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 FVPL and FVOCI and available-for-sale financial assets. These securities are listed in Singapore and Malaysia. 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 and Malaysia had changed by 1% (2018: 1%) and 10% (2018: 10%) with all other variables including tax rate being held constant, the effects on profit after tax will not be significant and the effects on other comprehensive income would have been:

	2019		2018	
	Profit after tax	Other comprehensive income	Profit after tax	Other comprehensive income
	S$'000	S$'000	S$'000	S$'000
Group and Company				
Listed in Malaysia				
- increased by	3	103	3	107
- decreased by	(3)	(103)	(3)	(107)

(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.

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

The trade receivables of the Group comprises of 3 debtors (31 March 2018: 3 debtors; 1 April 2017: 3 debtors) that individually represented 5 -24% (31 March 2018: 5 - 12%; 1 April 2017: 5 – 20%) of the Group's total trade receivables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 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		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
By geographical areas			
Singapore	3,141	3,739	4,996
United States of America	1,867	985	270
Malaysia	4,771	3,729	2,691
People's Republic of China	11,014	7,129	6,812
India	979	3,975	2,073
Thailand	2,211	2,176	1,281
Vietnam	1,043	509	636
Other countries	4,029	2,708	1,742
	29,055	24,950	20,501
By types of customers			
Related parties	278	590	–
Non-related parties			
- Multi-national companies	11,499	6,217	4,294
- Other companies	17,278	18,143	16,207
	29,055	24,950	20,501

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:

	Group		
	31 March		1 April
	2019	2018	2017
	S$'000	S$'000	S$'000
Corporate guarantees provided to banks on its major supplier (Note 35(a))	2,712	1,963	5,581

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(b) Credit risk (continued)

The movement in credit loss allowance are as follows:

	Trade receivables S$'000	Other receivables S$'000	Total S$'000
Group			
Balance at 1 April 2018	143	297	440
Loss allowance recognised during the financial year	200	6	206
Reversal of loss allowance during the financial year	(22)	–	(22)
Net loss allowance recognised in profit or loss	178	6	184
Currency translation difference	4	–	4
Balance at 31 March 2019 (Note 16)	325	303	628

Cash and cash equivalents and non-trade receivables from related parties are subject to immaterial credit loss.

(i) Trade receivables

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

In calculating the ECL rates, the Group considers purely historical loss rates for each category of customers which management is of the view that the historical conditions are representative of the conditions prevailing at the reporting date.

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

The Group's credit risk exposure in relation to trade receivables under SFRS(I) 9 as at 31 March 2019 are set out in the provision matrix as follows:

	Gross amount S$'000	Loss allowance S$'000	Carrying amount S$'000
Group			
EBU			
Not past due	19,206	–	19,206
< 30 days past due	4,431	–	4,431
30 days to 60 days past due	496	–	496
60 days to 90 days past due	99	–	99
90 days to 180 days past due	86	–	86
180 days to 365 days past due	214	–	214
> 365 days past due	1,525	(325)	1,200
	26,057	(325)	25,732

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(b) Credit risk (continued)

(i) Trade receivables (continued)

	Gross amount S$'000	Loss allowance S$'000	Carrying amount S$'000
Group			
MBU			
Not past due	2,013	–	2,013
< 30 days past due	1,095	–	1,095
30 days to 60 days past due	34	–	34
60 days to 90 days past due	55	–	55
90 days to 180 days past due	26	–	26
180 days to 365 days past due	100	–	100
	3,323	–	3,323

(ii) Other receivables

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

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

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

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

As at 31 March 2019, the Group and the Company performed an assessment of qualitative and quantitative factors which are indicative of the risk of default (including but not limited to external ratings, audited financial statements, management accounts and cash flow projections, available press information and applying experienced credit judgement) and an assessment of impairment using the 12-month ECL basis on these financial assets. The Company concluded that the loss allowance on these financial assets is insignificant. The Group concluded the loss allowance provided for other receivables is adequate and the loss allowance on other financial assets is insignificant.

(iii) Non-trade receivables from subsidiary corporations

Non-trade receivables from subsidiary corporations are provided mainly for short term funding requirements. The Company uses a similar approach as described in Note 38(b)(ii) for assessment of ECL for these receivables. Impairment on theses balances has been measured on the 12-month expected loss basis which reflects the low credit risk of the exposures. The Company concluded that the loss allowance provided for non-trade receivables from subsidiary corporations is adequate. As at 31 March 2019, the Company has write-off the loss allowance amounted to S$3,532,000 as there is no reasonable ground to recover the receivables from these subsidiary corporations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(b) Credit risk (continued)

(iv) Credit risk exposure

The Group's and the Company's short term deposits are placed as fixed rate investments and upon which management endeavours to obtain the best rate available in the market.

Cash and cash equivalents are placed only with reputable licensed financial institutions with high credit-ratings.

Previous accounting policy for impairment of trade receivables and non-trade receivables

Prior to 1 April 2018, the impairment of financial assets was assessed based on the incurred loss impairment model. Individual receivables which were known to be uncollectible were written off by reducing the carrying amount directly. The other receivables were assessed collectively, to determine whether there was objective evidence that an impairment had been incurred but not yet identified.

The Group considered that there was evidence if any of the following indicators were present:

- Significant financial difficulties of the debtor;
- Probability that the debtor will enter bankruptcy or financial reorganisation; and
- Default or delinquency in payments.

The Group's credit risk exposure in relation to trade receivables under FRS 39 as at 31 March 2018 and 1 April 2017 are set out in the provision matrix as follows:

	Past due			
	Less than 3 months	**3 to 6 months**	**More than 6 months**	**Total**
	$'000	**$'000**	**$'000**	**$'000**
31 March 2018				
Group				
Trade receivables				
Gross carrying amount:				
- Not past due				14,356
- Past due but not impaired	7,053	920	2,621	10,594
- Past due but impaired	–	–	143	143
	7,053	920	2,764	25,093
Less: Allowance for impairment (Note 16)				(143)
Net carrying amount				24,950
1 April 2017				
Group				
Trade receivables				
Gross carrying amount:				
- Not past due	–	–	–	15,290
- Past due but not impaired	3,604	210	1,397	5,211
- Past due but impaired	–	–	21	21
	3,604	210	1,418	20,522
Less: Allowance for impairment (Note 16)				(21)
Net carrying amount				20,501

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 March 2019

38 Financial risk management (continued)

(b) Credit risk (continued)

Previous accounting policy for impairment of trade receivables and non-trade receivables (continued)

The Group believes that the above amounts that are past due but not impaired are still collectible, based on historical payment patterns.

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

	Company	
	31 March 2018	**1 April 2017**
	S$'000	S$'000
Gross amount – past due more than a year	143	21
Less: Allowance for impairment	(143)	(21)
	–	–
Beginning of financial year	21	44
Allowance made	122	–
Allowance write off	–	(21)
Currency translation differences	–	(2)
End of financial year (Note 16)	143	21

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**	
	31 March 2018	**1 April 2017**	**31 March 2018**	**1 April 2017**
	S$'000	**S$'000**	**S$'000**	S$'000
Gross amount				
- past due < 1 year	–	–	–	34,645
- past due > 1 year	297	363	32,244	–
Less: Allowance for impairment	(297)	(363)	(12,542)	(12,542)
	–	–	19,702	22,103
Beginning of financial year	363	287	12,542	12,424
Allowance made	–	76	–	118
Allowance write off	(66)	–	–	–
End of financial year (Note 16)	297	363	12,542	12,542

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.

Other than above, there were no credit loss allowance for other financial assets at amortised costs as at 31 March 2018 and 1 April 2017.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to finance the Group's 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		
2019		
Trade and other payables	24,976	–
Borrowings	19,128	53
Financial guarantee contracts (Note 35(a))	2,712	–
	46,816	53
2018		
Trade and other payables	33,401	–
Borrowings	5,058	941
Financial guarantee contracts (Note 35(a))	1,963	–
	40,422	941
2017		
Trade and other payables	33,373	–
Borrowings	10,664	12,792
Financial guarantee contracts (Note 35(a))	5,581	–
	49,618	12,792
Company		
2019		
Trade and other payables	13,818	–
Borrowings	2,745	–
	16,563	–
2018		
Trade and other payables	14,954	–
Borrowings	1,522	941
	16,476	941
2017		
Trade and other payables	14,395	–
Borrowings	10,660	12,792
	25,055	12,792

38 Financial risk management (continued)

(d) Capital risk

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

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

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Total liabilities	44,938	39,976	56,813	16,516	17,372	36,759
Total equity	41,884	34,503	12,834	41,997	32,579	12,692
Debt-equity ratio	1.07	1.16	4.43	0.39	0.53	2.90

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:

(a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);

(b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and

(c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3)

Group and Company	Level 1	Level 2	Level 3	Total
	S$'000	S$'000	S$'000	S$'000
31 March 2019				
Financial assets, at FVPL	33	–	–	33
Financial assets, at FVOCI	1,024	–	–	1,024
	1,057	–	–	1,057
31 March 2018				
Financial assets, at FVPL	33	–	–	33
Available-for-sale financial assets	1,402	–	–	1,402
	1,435	–	–	1,435
1 April 2017				
Financial assets, at FVPL	33	–	–	33

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

38 Financial risk management (continued)

(e) Fair value measurements (continued)

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

(f) Financial instruments by category

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

	Group			Company		
	31 March		1 April	31 March		1 April
	2019	2018	2017	2019	2018	2017
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Loans and receivables	–	36,066	33,125	–	20,449	22,166
Financial assets at amortised cost	36,280	–	–	22,090	–	–
Financial assets, at FVPL	33	33	33	–	–	–
Financial assets, available-for-sale	–	1,402	–	–	1,402	–
Financial assets at FVOCI	1,024	–	–	1,024	–	–
Financial liabilities at amortised cost	43,714	39,272	55,400	16,516	17,372	36,759

39 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 Group Financial Controller, and the department heads of each business within each geographical segment.

The Exco considers the business from both a geographic and business segment perspective. Geographically, management manages and monitors the business in the five primary geographic areas: United States of America, Singapore, Malaysia, People's Republic of China and Europe. All geographic locations are engaged in the provision of MBU and EBU. The Group's businesses are organised and managed into 2 business segments, namely (1) MBU, which comprise of the provision of precision plastic injection moulding services ("PPIM") and Design, fabrication and sale of precision plastic injection moulds ("MDF") and (2) EBU, which related to distribution of electronic components and products, services and solutions to industrial and commercial users.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

39 Segment information (continued)

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

	MBU S$'000	EBU S$'000	Others S$'000	Inter-segment Eliminations S$'000	Total S$'000
2019					
Sales					
Revenue – external parties	18,666	145,025	–	–	163,691
Gross profit	1,892	10,892	–	–	12,784
Other income					
- Interest	5	23	–	–	28
- Others	184	10	19	–	213
Other gains - net					
- Reversal of impairment loss/ (Impairment loss) on financial assets at amortised cost	16	(200)	–	–	(184)
- Others	958	(376)	1,390	(900)	1,072
Expenses					
- Distribution and marketing	(232)	(1,188)	(5)	–	(1,425)
- Administrative	(1,863)	(5,575)	(2,189)	900	(8,727)
- Finance	(96)	(805)	(180)	–	(1,081)
Share of profit of associated company	–	–	662	–	662
Profit/(loss) before income tax	864	2,781	(303)	–	3,342
Income tax expense	(217)	(246)	–	–	(463)
Net profit/(loss)	647	2,535	(303)	–	2,879
Depreciation of property, plant and equipment	484	68	187	–	739
Amortisation of intangible assets	15	427	25	–	467

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

39 Segment information (continued)

	MBU S$'000	EBU S$'000	Others S$'000	Total S$'000
2018				
Sales				
Revenue – external parties	8,131	151,823	–	159,954
Gross profit	1,086	6,551	–	7,637
Other income				
- Interest	4	22	5	31
- Others	138	96	59	293
Other gains - net				
- Impairment loss on financial assets at amortised cost	–	(122)	–	(122)
- Others	2	2,496	121	2,619
Expenses				
- Distribution and marketing	(227)	(979)	(31)	(1,237)
- Administrative	(882)	(5,402)	(1,521)	(7,805)
- Finance	(1)	(503)	(672)	(1,176)
Share of profit of associated company	–	–	696	696
Profit/(loss) before income tax	371	2,158	(1,593)	936
Income tax expense	(1)	(3)	–	(4)
Net profit/(loss)	370	2,155	(1,593)	932
Depreciation of property, plant and equipment	296	90	166	552
Amortisation of intangible assets	34	463	132	629

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

Geographical information

The Group's two (2018: two) business segments operate in four (2018: four) main geographical areas:

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

39 Segment information (continued)

	Non-current assets	
	2019	2018
	S$'000	S$'000
Malaysia	925	695
Singapore	19,328	13,277
People's Republic of China	5	5
Indonesia	754	–
Other countries	6	7
	21,018	13,984

Revenue of approximately S$23,215,159 (2018: S$17,466,918) is derived from a single external customer. This revenue is attributable to the EBU segment in People's Republic of China (2018: EBU segment in People's Republic of China).

40 Business combination

On 31 July 2019 (the acquisition date), the Group completed the acquisition of 70% equity interest in Honfoong Plastic Industries Pte. Ltd. ("Honfoong") and its subsidiary corporation, PT Honfoong Plastic Industries ("PT Honfoong") (collectively, "Honfoong Group"). The principal activities of Honfoong are those of plastic moulding, PCB assembly, tooling finishing and plastic precision engineering parts, while PT Honfoong is principally engaged in the provision of plastic injection moulding components, tool design, fabrication, moulding, printing, painting, sub-assembly and box build project.

Details of the considerations transferred, the assets acquired and liabilities assumed, the non-controlling interests recognised and the effects on the cash flows of the Group, at the acquisition date, are as follows:

(a) Purchase consideration

	2019
	S$'000
Cash consideration paid	300
Outstanding cash consideration included in trade and other payables	700
Fair value of share consideration (Note 29)	2,000
Consideration transferred for the business	3,000

(b) Effect on cash flows of the Group

		2019
		S$'000
Cash paid (as above)		(300)
Cash and cash equivalents in subsidiary corporations acquired		
- Cash in hand and at banks	19	
- Bank overdrafts	(1,247)	
		(1,228)
Cash outflow on acquisition		(1,528)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

40 Business combination (continued)

(c) Identifiable assets acquired and liabilities assumed

	At fair value 2019 S$'000
Cash and cash equivalents	
- Cash in hand and at banks	19
- Fixed deposits with financial institutions (pledged)	362
Property, plant and equipment (Note 22)	6,640
Trade and other receivables	2,597
Inventories	1,306
Other current assets	410
Total assets	11,334
Trade and other payables	4,328
Borrowings	
- Bank overdrafts	1,247
- Bank borrowings	500
Income tax payables (Note 10(b))	60
Deferred income tax liabilities (Note 10(c))	129
Total liabilities	6,264
Total identifiable net assets	5,070
Less: Non-controlling interests at fair value	(946)
Less: Gain on bargain purchase (Note 6)	(1,124)
Consideration transferred for the business	3,000

(d) Acquisition-related costs

The Group did not incur any acquisition-related costs in respect of the acquisition of Honfoong Group.

(e) Non-controlling interests

The Group has chosen to recognise the non-controlling interests at its fair value of S$947,000. The fair value was estimated based on market price, referenced from the recent purchase price and discounted for a lack of control.

(f) Acquired receivables

The carrying values of trade and other receivables approximate their fair value at the acquisition date. Management believes that the receivables are collectible, based on historical payment behaviour, credit-worthiness of the customers and forward looking information.

40 Business combination (continued)

(g) Fair value

The fair value of the acquired leasehold properties classified under property, plant and equipment of S$5,720,000 was determined by an independent valuer based on direct comparison approach and fair value adjustment of S$5,650,000 was recognised as part of the purchase price allocation. Correspondingly, the Group also recognised deferred tax liabilities of S$129,000 for the fair value adjustment made on the leasehold properties.

(h) Revenue and profit contribution

The acquired business contributed revenue of S$10,197,000 and net loss of S$544,000 to the Group from 1 August 2018 to 31 March 2019. Had Honfoong Group been consolidated from 1 April 2018, the Group's consolidated revenue and consolidated net profit for the financial year ended 31 March 2019 would have been S$167,881,000 and S$2,465,000 respectively.

41 Events occurring after balance sheet date

On 30 May 2019, the Company announced the proposed share consolidation of every four existing issued ordinary shares in Company held by shareholders of Company as at a book closure date to be determined by the Directors at a later date into one ordinary share in the capital of the Company, fractional entitlements is to be disregarded.

The proposed share consolidation is subject to, inter alia, receipt of the approval-in-principle of the SGX-ST for the dealing in, listing of and quotation for the consolidated shares and adjusted warrants on the Catalist of the SGX-ST and approval of the Shareholders by ordinary resolution of the proposed share consolidation at an EGM to be convened.

42 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 2019 or later periods and which the Group has not early adopted:

Effective for annual period beginning on or after 1 April 2019

(a) *SFRS(I) 16 Leases*

SFRS(I) 16 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 Group will apply the standard from its mandatory adoption date of 1 April 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the financial year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. All other right-of-use assets will be measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required from next year.

As at 31 March 2019, the Group has non-cancellable operating lease commitments of S$725,000 (Note 36(a)). Of these commitments, approximately S$96,000 relate to short-term leases and low-value leases which will be recognised on a straight-line basis as expense in profit or loss.

For the remaining lease commitments, the Group expects to recognise right-of-use assets and lease liabilities of approximately S$564,000 on 1 April 2019. The Group's net current assets will be S$162,000 lower due to classification of a portion of the liability as current liabilities.

The Group expects that net profit will decrease by approximately S$9,000 for the financial year ended 31 March 2020 as a result of adopting the new rules. The Group's operating cash flows will increase and financing cash flows will decrease by approximately S$271,000 as repayment of the principal portion of lease liabilities will be classified as cash flows from financing activities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

42 New or revised accounting standards and interpretations (continued)

Effective for annual period beginning on or after 1 April 2019 (continued)

(b) *SFRS(I) INT 23 Uncertainty Over Income Tax Treatments*

The interpretation explains how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:

(i) how to determine the appropriate unit of account, and that each uncertain tax treatment should be considered separately or together as a group, depending on which approach better predicts the resolution of the uncertainty;

(ii) that the entity should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored;

(iii) that the entity should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment;

(iv) that the impact of the uncertainty should be measured using either the most likely amount or the expected value method, depending on which method better predicts the resolution of the uncertainty; and

(v) that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

The Group does not expect additional tax liability to be recognised arising from the uncertain tax positions on the adoption of the interpretation on 1 April 2019.

Effective for annual periods beginning on or after 1 January 2020

- Amendments to SFRS(I) 3 - Business Combinations – definition of a business
- Amendments to SFRS(I) 1-1 and SFRS(I) 1-8: Definition of material
- Amendments to References to the Conceptual Framework in SFRS(I) standards
- Amendments to illustrative examples, implementation guidance and SFRS(I) practice statements

Effective for annual periods beginning on or after 1 January 2021

- SFRS(I) 17 Insurance Contracts

Effective date: to be determined*

- Amendments to SFRS(I) 10 and SFRS(I) 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.*

STATISTICS OF SHAREHOLDINGS

As at 20 June 2019

Issued and fully paid-up capital	:	S$76,581,063.56
Number of Issued Shares (excluding Treasury Shares)	:	1,013,749,606
Number/Percentage of Treasury Shares	:	13,682,000 (1.35 %)
Voting rights	:	One vote per share
Class of Shares	:	Ordinary Shares

Distribution of shareholdings as at 20 June 2019

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Shares
1 – 99	61	6.83	421	0.00
100 – 1,000	30	3.36	19,839	0.00
1,001 – 10,000	100	11.20	712,903	0.07
10,001 – 1,000,000	662	74.13	103,375,089	10.20
1,000,001 and above	40	4.48	909,641,354	89.73
Total	**893**	**100.00**	**1,013,749,606**	**100.00**

Twenty Largest Shareholders as at 20 June 2019

No.	Name of Shareholders	No. of Shares	% of Shares
1	ACCRELIST LTD	667,275,725	65.82
2	WONG LIANG TONG	41,666,667	4.11
3	PHILLIP SECURITIES PTE LTD	31,957,165	3.15
4	PEK HAK BIN	28,405,030	2.80
5	DBS NOMINEES PTE LTD	19,949,764	1.97
6	CITIBANK NOMINEES SINGAPORE PTE LTD	10,437,000	1.03
7	GOH BEE LAN	10,400,000	1.03
8	JUN YUAN HOLDINGS PTE LTD	9,750,000	0.96
9	TAN ENG CHUA EDWIN	8,447,600	0.83
10	WONG LIANG YEO	8,333,333	0.82
11	MAYBANK KIM ENG SECURITIES PTE. LTD	7,960,000	0.79
12	KHOO HANG CHOONG	6,500,000	0.64
13	TOH SOON HUAT	6,040,400	0.60
14	KOH CHENG POH	5,555,555	0.55
15	RAFFLES NOMINEES (PTE) LIMITED	4,365,300	0.43
16	TEA LAY SIN	3,976,505	0.39
17	TEE WEE SIEN (ZHENG WEIXIAN)	3,323,000	0.33
18	LOH TEE YANG	3,060,000	0.30
19	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	2,433,010	0.24
20	TEO BEE HENG	2,272,000	0.22
	Total	**882,108,054**	**87.01**

Based on the information available to the Company as at 20 June 2019, approximately 34.11 % 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 2019

Substantial Shareholders

(As recorded in the Register of Substantial Shareholders)

	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Accrelist Ltd	667,275,725	65.82	–	–
Terence Tea Yeok Kian[1]	655,600	0.065	667,275,725	65.82

[1] Terence Tea Yeok Kian is deemed to be interested in 667,275,725 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

STATISTICS OF WARRANTHOLDINGS

As at 20 June 2019

Distribution of Warrantholdings as at 20 June 2019

Size of Warrantholdings	No. of Warrantholders	% of Warrantholders	No. of Warrants	% of Warrants
1 – 99	6	7.69	127	0.00
100 – 1,000	0	0.00	0	0.00
1,001 – 10,000	6	7.69	36,501	0.02
10,001 – 1,000,000	61	78.21	13,884,201	5.43
1,000,001 and above	5	6.41	241,692,279	94.55
Total	**78**	**100.00**	**255,613,108**	**100.00**

Twenty Largest Warrantholdings as at 20 June 2019

No.	Name of warrant holders	No. of warrants	% of warrants
1	ACCRELIST LTD	231,914,929	90.73
2	TAN ENG CHUA EDWIN	4,529,100	1.77
3	PHILLIP SECURITIES PTE LTD	2,098,250	0.82
4	ENG AH BENG @ NG AH BENG	2,000,000	0.78
5	CGS-CIMB SECURITIES (SINGAPORE) PTE LTD	1,150,000	0.45
6	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	1,000,000	0.39
7	MAYBANK KIM ENG SECURITIES PTE. LTD	997,500	0.39
8	GOH GUAN SIONG (WU YUANXIANG)	701,000	0.27
9	LEE WAH HENG @YEE AH HENG	600,000	0.23
10	WONG HAN YEW	600,000	0.23
11	TEA LAY SIN	555,000	0.22
12	TAN CHIP SIN	501,000	0.19
13	LIM TIONG KHENG STEVEN	485,000	0.19
14	CHUA LIAN CHYE	450,000	0.18
15	TEO YONG PING (ZHANG RONGBIN)	400,033	0.16
16	TAN YEOK KOON (CHEN YUKUN)	400,000	0.16
17	TEE SIEW KIONG	400,000	0.16
18	WONG CHOO HIN	400,000	0.16
19	CHUA SIEW LIAN	350,000	0.14
20	OCBC SECURITIES PRIVATE LTD	305,000	0.12
	Total	**249,836,812**	**97.74**

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, 26 July 2019 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 2019 together with the Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of up to S$180,000 for the financial year ending 31 March 2020, to be paid half-yearly in arrears. (2019: S$180,000.) **(Resolution 2)**

3. To re-elect Mr Ng Siew Hoong, who is retiring by rotation pursuant to Regulation 89 of the Company's Constitution, as a Director of the Company. *[See Explanatory note (i)]* **(Resolution 3)**

4. To re-appoint Nexia TS Public Accounting Corporation as independent auditor of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may be properly transacted at an annual general meeting.

AS SPECIAL BUSINESS

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

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

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

(Resolution 5)

7. Renewal of the Share Buyback Mandate

"That:-

(a) for the purposes of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Catalist Listing Rules**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares fully paid in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price or prices as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:-

(i) on-market purchases (each an "**On-Market Share Purchase**") on the SGX-ST; and/or

(ii) off-market purchases (each an "**Off-Market Share Purchase**") effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Catalist Listing Rules;

NOTICE OF ANNUAL GENERAL MEETING

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

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

(c) in this Ordinary Resolution:

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

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

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

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

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

where:

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

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution." *[See Explanatory Note (iii)]* **(Resolution 6)**

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

"THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore ("**Companies Act**") and subject to Rule 806 of the Listing Manual Section B: 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

NOTICE OF ANNUAL GENERAL MEETING

(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

(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 (vi)]* **(Resolution 7)**

By Order of the Board

Chew Kok Liang
Sng Ee Lian Eliane
Company Secretaries

Singapore, 11 July 2019

NOTICE OF ANNUAL GENERAL MEETING

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 Remuneration Committees and will be considered independent. Please refer to Corporate Governance Report on pages 22 to 23 in the Annual Report for the detailed information required pursuant to Rule 720(5) of the Listing Manual Section B: Rules of Catalist of the SGX-ST.

(ii) Ordinary Resolution 5, 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.

(iii) Ordinary Resolution 6, 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.

(iv) Ordinary Resolution 7, 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.

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 office of the Company's Share Registrar at 8 Robinson Road #03-00 ASO Building Singapore 048544 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 Shervyn Essex, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place, #29-01, Republic Plaza Tower 1, Singapore 048619, telephone (65) 6381 6757.

*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.

NOTICE OF ANNUAL GENERAL MEETING

Personal data privacy:

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

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			

or failing him/her/them, the Chairman of the Annual General Meeting ("**Meeting**") of the Company as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Meeting of the Company to be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on Friday, 26 July 2019 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 2019		
2	Approval of Directors' fees of up to S$180,000 for the financial year ending 31 March 2020, to be paid half-yearly in arrears		
3	Re-election of Mr Ng Siew Hoong as a Director of the Company		
4	Re-appointment of Nexia TS Public Accounting Corporation as Independent Auditor of the Company and to authorise the Directors to fix their remuneration		
5	Authority to grant awards and issue shares pursuant to the Jubilee Share Award Scheme		
6	Renewal of Share Buyback Mandate		
7	Authority to issue and allot shares in the capital of the Company		

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

Dated this __________ day of ______________ 2019

Total Number of Shares Held

____

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 office of the Company's Share Registrar at 8 Robinson Road #03-00 ASO Building Singapore 048544 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 11 July 2019.

---

[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 Linus
Independent Director

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATING COMMITTEE

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

JOINT COMPANY SECRETARIES

Chew Kok Liang
Sng Ee Lian Eliane

REGISTERED OFFICE

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

CATALIST SPONSOR

RHT Capital Pte. Ltd.
9 Raffles Place #29-01 Republic Plaza Tower 1
Singapore 048619

INDEPENDENT AUDITOR

Nexia TS Public Accounting Corporation
100 Beach Road, #30-00 Shaw Tower
Singapore 189702
Director-in-Charge: Meriana Ang
(Appointed since financial year ended 31 March 2017)

SHARE REGISTRAR

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

PRINCIPAL BANKER

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

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

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

Maybank Singapore Limited
2 Battery Road
Singapore 049907

Jubilee Industries Holdings Ltd.
千禧业科技公司

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