
Jubilee Industries Holdings returns to profit of S\$0.8 million, as revenue rises 83.7% to S\$87.5 million in 1HY2018

- Jubilee Industries Holdings is a one-stop service provider of electronics components (“electronics segment”), as well as precision plastic injection moulding and mould design and fabrication services (“mechanical segment”).
- Revenue increased 83.7% to S\$87.5 million for 1HY2018 due to improved performances for both its mechanical and electronic segments.
- Consequently, gross profit rose by three-folds to S\$5.6 million for 1HY2018
- Profit before income tax excluding operational loss from E’Mold Manufacturing (Kunshan) Co. Ltd stood at S\$1.4 million for 1HY2018 compared to a loss of S\$1.8 million in 1HY2017
- Better machine utilisation rates, leaner manufacturing processes as well as better product mix with higher margins contributed to overall net profit achieved in 1HY2018

Financial Highlights

S\$’M	1HY2018 ended 30 Sep 2017	1HY2017 ended 30 Sep 2016	Change (%) between 1HY2018 and 1HY2017	FY2017 ended 31 Mar 2017
Revenue	87.5	47.6	83.7%	108.8
Gross profit	5.6	1.3	339.7%	3.7
Profit/ (Loss) before income tax	0.8	(2.7)	130.4%	(7.5)
Profit/(Loss) before income tax¹	1.4	(1.8)	155.5%	3.7
Attributable net profit/ (loss)	0.8	(2.7)	130.1%	(7.5)
Operational Cashflow ²	1.2	(1.5)	204.7%	(1.9)
EBITDA	1.6	(2.4)	163.8%	(6.4)

¹ Excludes the operational losses of E’Mold Manufacturing (Kunshan) Co. Ltd

² Excludes the operational cash flow of E’Mold Manufacturing (Kunshan) Co. Ltd

Singapore, 14 November 2017 – Catalyst-listed Jubilee Industries Holdings Ltd (“**Jubilee**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) has turned from losses to profit at S\$0.8 million for the six months ended 30 September 2017 (“1HY2018”), marking a significant milestone in the Group’s turnaround strategy.

1HY2018’s revenue increased 83.7% to S\$87.5 million due mainly to improved performance from both Precision Injection Moulding (“PPIM”) and Design, Fabrication and Sale of Precision Injection Molds (“MDF”) segment and Electronic Components Distribution segment. Revenue from PPIM and MDF segment increased marginally from S\$3.6 million in 1HY2017 to S\$4.0 million in 1HY2018 while revenue from the Electronic Components Distribution segment increased substantially from S\$43.9 million to S\$83.5 million.

Gross profit was S\$1.3 million with a gross profit margin of 2.7% for 1HY2017 compared to S\$5.6 million with a gross profit margin of 6.4% for 1HY2018. The increase was attributable to leaner manufacturing process to achieve better cost efficiencies and better product mix with higher margin and commission.

The Group’s EBITDA also improved to S\$1.6 million in 1HY2018, a 163.8% jump from 1HY2017 where the Group registered a loss of S\$2.4 million. Operational cash flow for the Group in 1HY2018 stood at S\$1.5 million, an increase of 204.7% from a loss of S\$1.5 million in 1HY2017. The Group registered overall stronger financial performance in 1HY2018 as compared to the previous year where the scaling down of the Group’s plant in Kunshan, China contributed primarily to poorer operational cash flow, EBITDA and gross profit for 1HY2017 and FY2017.

The Group’s administrative expenses increased by S\$0.5 million to S\$3.9 million in 1HY2018, mainly due to an increase in amortisation expenses arising from the acquisition of distribution rights for two products in the Electronic Components Distribution segment.

As a result of these preceding factors, Jubilee reported a net profit after tax of S\$0.8 million for 1HY2018 compared to net loss of S\$2.7 million for 1HY2017.

Commenting on the Group’s current performance and its outlook in the next 12 months, Jubilee Industries Holdings’ Non-Executive Chairman, Mr Terence Tea said, “**We are pleased with the profitability and recovery of Jubilee over the past half year as our**

turnaround plans continue to bear fruits. Nonetheless, we are only at the beginning of this recovery plan. Jubilee shall continue to push for higher volume of business in both our electronic and mechanical segment.

For our mechanical segment, we will pursue growth both in terms of organic growth and through mergers and acquisitions. Our machine utilisation rates continue to improve as we strategise towards leaner manufacturing processes to achieve better cost efficiencies. In addition, we will continue to look into improving product mix with higher margin.

On the other hand in our electronic segment, we intend to grow through obtaining new product lines and focus on higher margin products.”

The Group has an 11.8% stake in EG Industries Berhad, which is one of the largest electronic manufacturing services (“EMS”) in Malaysia as at 30 September 2017. **“As the electronics industry continue to show positive momentum, Jubilee will be on the lookout for merger and acquisition opportunities as well as strategic alliances as we consolidate our turnaround and seek stronger performance in the year ahead,”** Mr Tea added.

Outlook

The outlook for the global semiconductor industry remains positive as worldwide sales of semiconductors reached US\$107.9 billion in the third quarter of 2017, marking the industry's highest-ever quarterly sales and an increase of 10.2% compared to the previous quarter.³

Semiconductor product categories which registered strong growth include memory products like DRAM and NAND flash, both of which posted major year-to-year growth in September 2017. The encouraging demand for memory products is an indicator of improved global demand for a wide range of electronic products. Hence, both the Group’s Electronics and Mechanical segments are poised for continued growth in the financial year ahead.

³ Global semiconductor industry posts highest-ever quarterly sales, says SIA, DIGITIMES, 1 November 2017

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About Jubilee Industries Holdings Ltd (千禧业工艺控股公司)

Established in 1993 and listed on SGX-Catalist since 10 July 2009, Jubilee Industries Holdings Limited (“Jubilee” or the “Group”) is a one-stop service provider of electronics components, precision plastic injection moulding (“PPIM”) and mould design and fabrication services (“MDF”).

Jubilee’s two main business segments are:

1. Mechanical Segment - Precision plastic injection moulding (“PPIM”) and mould design and fabrication (“MDF”) services
2. Electronics Segment - Integrated electronic component distribution services and modular design fabrication (i.e. energy meter project)

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

For more information, please visit <http://www.jihldgs.com/>

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