

WE HOLDINGS LIMITED**Financial Statement Announcement for the Six Months Ended 30 September 2014**

The Board of Directors of WE Holdings Limited wishes to announce the unaudited results of the Group and Company for the six months period ended 30 September 2014.

This announcement 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 announcement.

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

The contact person for the Sponsor is Ms Amanda Chen, Registered Professional, RHT Capital Pte. Ltd. at Six Battery Road #10-01 Singapore 049909. Telephone (65) 6381 6757.

Part I - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3, HALF-YEAR AND FULL YEAR RESULTS)

1(a)(i) An income statement and statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group		
	For the period of 6 months ended		
	1 Apr 2014 to 30 Sep 2014 US\$'000	1 Apr 2013 to 30 Sep 2013 US\$'000	Increase / (Decrease)
Revenue	32,570	28,765	13%
Cost of sales	(30,040)	(26,300)	14%
Gross Profit	2,530	2,465	3%
Other Items of Income			
Financial Income	17	12	42%
Other Credits	4,492	183	nm
	7,039	2,660	165%
Other Items of Expenses			
Marketing and Distribution Expenses	(913)	(944)	-3%
Administration Expenses	(4,644)	(5,456)	-15%
Finance Costs	(155)	(341)	-55%
Other Charges	-	(358)	-100%
Gain / (Loss) From Operating Activities Before Tax	1,327	(4,439)	-130%
Income Tax Expense	(1)	(1)	0%
Share of Loss of Associates	(94)	-	nm
Gain / (Loss) for the Period	1,232	(4,440)	-128%
Other Comprehensive Income / (Loss) :			
Exchange Difference on Translating Foreign Operations	116	(188)	nm
Total Comprehensive Income / (Loss) for the Period	1,348	(4,628)	-129%
Gain / (Loss) Attributable to:			
Owners of the Parent	1,232	(4,437)	-128%
Non-Controlling Interests	-	(3)	-100%
	1,232	(4,440)	-128%
Total Comprehensive Income/(Loss) attributable to:			
Owners of the Parent	1,348	(4,648)	-129%
Non-Controlling Interests	-	20	nm
	1,348	(4,628)	-129%

nm denotes not meaningful.

1(a)(ii) Notes to the Income Statement

Group			
For the period of 6 months ended			
1 Apr 2014 to 30 Sep 2014	1 Apr 2013 to 30 Sep 2013	Increase /	
US\$'000	US\$'000	(Decrease)	
(i) Other income			
Bank Interest	17	12	42%
Miscellaneous income	-	183	-100%
	<u>17</u>	<u>195</u>	<u>-91%</u>

(ii) Other information:-

Depreciation of Property, Plant and Equipment	(202)	(114)	77%
Impairment Loss on Doubtful Trade and Other Receivables	-	(358)	-100%
Foreign Exchange Profit / (Loss)	126	77	64%
Cost on Borrowings	(7)	(290)	-98%
Employee Benefits	(2,343)	(2,090)	12%
Shares for Share Awards Scheme Issued	-	(905)	-100%
Directors Fee	(67)	(103)	-35%
Directors Remuneration	(871)	(276)	216%
Operating Lease Expense	(203)	(105)	93%
Stock Written Down	-	(457)	-100%
Inventories recognised as an Expense in Cost of Sales	(24,060)	(25,552)	-6%

nm denotes not meaningful.

(iii) Breakdown of one-off expenses:-

Cost of Sales			
Stock Written Down	-	457	
Marketing and Distribution Expenses			
Share placement expenses	-	167	
Administrative Expenses			
Introducer fee for the placement shares	-	1,076	
Share for share award scheme issued	-	905	
Due diligence for Myanmar exploration	-	232	
Legal and professional fees for rights cum warrant shares and placement shares	-	171	
Other Charges			
Impairment loss on doubtful trade receivables	-	358	
Total	<u>-</u>	<u>3,366</u>	

(iv) Proforma Consolidated Income Statement after excluding the one-off expenses:-

Revenue	32,570	28,765
Cost of sales	(30,040)	(25,843)
Gross Profit	<u>2,530</u>	<u>2,922</u>
Other Income	4,509	195
Marketing and Distribution Expenses	(913)	(777)
Administration Expenses	(4,644)	(3,072)
Finance Costs	(155)	(341)
Gain / (Loss) from Operating Activities	<u>1,327</u>	<u>(1,073)</u>

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group			Company		
	30-Sep-14 US\$'000	31-Mar-14 US\$'000	Increase / (Decrease)	30-Sep-14 US\$'000	31-Mar-14 US\$'000	Increase / (Decrease)
ASSETS						
Non-Current Assets						
Property, Plant and Equipment	6,198	6,055	2%	183	261	-30%
Investments in subsidiaries	-	-	nm	21,358	11,570	85%
Investments in associates	13,625	-	nm	-	-	nm
Other Assets	-	93	-100%	-	93	-100%
Total Non-Current Assets	19,823	6,148	222%	21,541	11,924	81%
Current Assets						
Inventories	9,104	6,237	46%	2,285	1,860	23%
Trade and Other Receivables	20,290	14,812	37%	11,110	3,451	222%
Other Assets	2,519	984	156%	895	803	11%
Cash and Cash Equivalents	6,575	19,827	-67%	1,047	14,253	nm
Total Current Assets	38,488	41,860	-8%	15,337	20,367	-25%
Total Assets	58,311	48,008	21%	36,878	32,291	14%
EQUITY AND LIABILITIES						
Equity						
Share Capital	47,381	45,077	5%	77,463	75,159	3%
Accumulated Losses	(15,587)	(16,819)	-7%	(52,736)	(48,018)	10%
Others Reserves	2,816	2,700	4%	-	-	nm
	34,610	30,958	nm	24,727	27,141	-9%
Non-Controlling Interests	16	16	0%	-	-	nm
Total Equity	34,626	30,974	nm	24,727	27,141	-9%
Non-Current Liabilities						
Deferred Tax Liabilities	564	598	-6%	-	39	-100%
Other Financial Liabilities	1,329	1,368	-3%	-	-	nm
Total Non-Current liabilities	1,893	1,966	-4%	-	39	-100%
Current Liabilities						
Income Tax Payable	46	8	475%	-	-	nm
Trade and Other Payables	21,644	14,490	49%	12,151	5,111	138%
Other Financial Liabilities	102	570	-82%	-	-	nm
Total Current Liabilities	21,792	15,068	45%	12,151	5,111	138%
Total Liabilities	23,685	17,034	39%	12,151	5,150	136%
Total Equity and Liabilities	58,311	48,008	21%	36,878	32,291	14%

nm denotes not meaningful.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30-Sep-14		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
102	-	570	-

Amount repayable after one year

As at 30-Sep-14		As at 31 March 2014	
Secured	Unsecured	Secured	Unsecured
US\$'000	US\$'000	US\$'000	US\$'000
1,329	-	1,368	-

Details of any collateral

All the borrowings are United States dollars and Singapore dollars denominated and interest bearing. The borrowings are secured by:

- (i) Legal mortgages of leasehold industrial properties of a subsidiary;
- (ii) Corporate Guarantee by the Company
- (iii) Registered charge over cash deposits of US\$0.3 million in the name of a subsidiary held with a bank;
- (iv) Fixed deposits of at least US\$0.2 million which are pledged to a bank;
- (v) Existing Letter of Charge and Set-Off executed by a subsidiary in respect of Foreign Currency Fixed Deposits of not less than US\$1.1 million;
- (vi) Debenture agreement including floating charge over all present and future trade receivables and inventories of a subsidiary;

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Attributable to Equity Holders of the Group				Non-Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Other Reserves	Total Reserves		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
2014						
Opening Balance at 1 April 2014	45,077	(16,819)	2,700	(14,119)	16	30,974
Total Comprehensive Loss for the Financial Period	-	1,232	116	1,348	-	1,348
Issue of New Shares	2,304	-	-	-	-	2,304
Closing Balance at 30 September 2014	47,381	(15,587)	2,816	(12,771)	16	34,626

2013	Attributable to Equity Holders of the Group				Non-Controlling Interests	Total Equity
	Share Capital	Accumulated Losses	Other Reserves	Total Reserves		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Opening Balance at 1 April 2013	12,844	(10,236)	2,412	(7,824)	11	5,031
Total Comprehensive Loss for the Financial Period	-	(4,437)	(211)	(4,648)	20	(4,628)
Issue of new shares	22,759	-	-	-	-	22,759
Closing Balance at 30 September 2013	35,603	(14,673)	2,201	(12,472)	31	23,162

Company	Share Capital	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000
2014			
Opening Balance at 1 April 2014	75,159	(48,018)	27,141
Total Comprehensive Loss for the Financial Period	2,304	(4,718)	(4,718)
Closing Balance at 30 September 2014	77,463	(52,736)	24,727

2013	Share Capital	Accumulated Losses	Total Equity
	US\$'000	US\$'000	US\$'000
Opening Balance at 1 April 2013	42,928	(32,202)	10,726
Total Comprehensive Loss for the Financial Period	-	(3,257)	(3,257)
Issue of new shares	22,759	-	22,759
Closing Balance at 30 September 2013	65,687	(35,459)	30,228

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, placement shares, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares or cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on.

State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

	Company	
	No of Shares '000	Share Capital US\$'000
Issued and fully paid up shares as at 31 March 2014	2,623,892	75,159
Issuance of shares pursuant to the WE Share Award Scheme in May 2014 at S\$0.0152	25,721	311
Issuance of share to vendor for acquisition of shares in Capital of Jubilee Industries Holdings Ltd	188,965	1,993
Issued and fully paid up shares as at 30 September 2014	<u>2,838,578</u>	<u>77,463</u>

The Company did not have any outstanding convertibles or treasury shares as at 30 September 2014 and 31 March 2014.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	30-Sep-14	31-Mar-14
Total number of ordinary shares issued ('000)	2,838,578	2,623,892

There were no treasury shares as at 30 September 2014 (31 March 2014 : Nil).

1(d)(iv) A statement showing all sales, transfers, disposals cancellation and / or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Review Engagement, SSRE 2400 (Engagements to Review Financial Statements), or an equivalent standard)

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period, which are consistent with those described in the audited financial statements for the financial year ended 31 March 2014.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

6. Earnings per ordinary share ("EPS") of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	For the period of 6 months	
	1 Apr 2014 to 30 Sep 2014	1 Apr 2013 to 30 Sep 2013
Profit / (Loss) for the period attributable to equity holders of the company (US\$'000)	1,232	(4,437)
(i) EPS / (LPS) based on the weighted average number of shares (in US cents)	0.13	(0.77)
(ii) EPS / (LPS) based on a fully diluted basis (in US cents)	0.13	(0.74)
Weighted average number of ordinary shares applicable to EPS ('000)	917,745	577,455
Weighted average number of ordinary shares fully diluted basis ('000)	961,265	600,137

The difference between the basic and diluted EPS is due to the warrants not exercised as at 30 September 2014.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30-Sep-14	31-Mar-14	30-Sep-14	31-Mar-14
Net asset value per ordinary share based on issued share capital at the end of the financial period / year (in US cents)	1.22	1.18	0.87	1.03
No of shares at the end of the financial period / year ('000)	2,838,578	2,623,892	2,838,578	2,623,892

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement

In the six months financial period ended 30 September 2014 ("HY2015"), the Group registered a turnover of US\$32.6 million, representing an increase of 13% or US\$3.8 million as compared to US\$28.8 million for the comparative six months financial period ended 30 September 2013 ("HY2014"). The increase was mainly due to new distributorship agreements and product lines obtained. Gross profits increased by 3% to US\$2.5 million in HY2015 from US\$2.4 million in HY2014. Gross profit margins decrease from 9% in HY2014 to 8% in HY2015 as a result of stiffer price competition and the Group having to reduce selling price to remain competitive.

Other income increase to US\$4.5 million in HY2015 from US\$0.2 million in HY2014 largely due to the reversal of over provisions and recovery of bad debts and a gain from bargain purchase in investment in Jubilee Industries Holding Ltd.

Operating expenses decreased by 20% from US\$7.1 million in HY2014 to US\$5.7 million in HY2015. Marketing and distribution expenses remained constant at US\$0.9 million in HY2014 and HY2015. Administration expenses decreased by 15% from US\$5.5 million in HY2014 to US\$4.6 million in HY2015 mainly due to better cost management. Finance costs decreased by 55% from US\$0.3 million in HY2014 to US\$0.2 million in HY2015 due to lower utilisation of borrowings. Other charges decreased from US\$0.4 million in HY2014 to nil in HY2015 mainly due to decline in exchange losses from the strengthening of the US dollar.

The Company had professionals to do a valuation on its investment in Jubilee Industries Holding Ltd. ("Jubilee") and this resulted in a valuation gain of US\$1.9 million.

Balance Sheet

Non-current assets increased from US\$6.1 million as at 31 March 2014 to US\$19.8 million as at 30 September 2014. The increase is mainly due to the investment of Jubilee.

Current assets as at 30 September 2014 comprised inventories, trade and other receivables, other assets and cash and cash equivalents. Total current assets amounted to US\$38.5 million as at 30 September 2014 as compared to US\$41.9 million as at 31 March 2014. The decrease is due to the decline in cash and cash equivalents of US\$13.2 million mainly due to the purchase of Jubilee. This decrease is offset by the increase in inventories, trade and other receivables and other assets of US\$2.9 million, US\$5.5 million and US\$1.5 million respectively. Inventories increased due to inventory stocking programs with key customers and trade and other receivables increased in line with the increase in revenue. Increase in other assets is due to a deposit placed with a supplier for the iron ore business.

Current liabilities as at 30 September 2014 comprised income tax payable, trade and other payables and other financial liabilities. Total current liabilities amounted to US\$21.8 million as at 30 September 2014 as compared to US\$15.1 million as at 31 March 2014. This increase is mainly due to the rise of trade and other payables being in line with the increase in revenue.

Non-current liabilities comprised deferred tax liabilities and other financial liabilities. Total non-current liabilities amounted to US\$1.9 million as at 30 September 2014 and has remained relatively constant as compared to US\$2.0 million as at 31 March 2014.

The Group had working capital of US\$16.7 million as at 30 September 2014 as compared to US\$26.8 million as at 31 March 2014. The decrease is due to acquisition of Jubilee.

Cash Flow Statement

Net cash flow used in operating activities for HY2015 was US\$0.8 million, comprising operating gain before working capital changes of US\$1.8 million offset by a decrease in cash in operations of US\$1.0 million. The working capital outflow was mainly due to the increase in inventories, trade and other receivables and other assets of US\$2.9 million, US\$5.5 million and US\$1.4 million respectively. This is offset by the increase in trade and other payables of US\$7.2 million. Net cash used in investing activities for HY2015 of US\$11.9 million was mainly due to purchase of property, plant and equipment and investment in Jubilee. Net cash generated from financing activities was US\$0.5 million. This is due to a decrease in cash restricted in use over 3 months of US\$1.0 million less the decline in other financial liabilities of US\$0.5 million from the repayment of borrowings. The Group recorded a net decrease in cash and cash equivalents of US\$12.2 million during HY2015.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable. No prospect statement or forecast has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months

As per announcements made, the Group is disposing its electronics components business to Jubilee Industries Holdings to focus on its commodities businesses and Myanmar investments. Pending shareholders' approval, the Group will remain vigilant on cost, inventory, credit and cash management in response to the volatile operating environment as it carries out its expansion strategies.

The Group noted that the operating environment would be challenging going forward and will explore new business outside the core business. The Group will continue to work closely with its existing suppliers and customers and at the same time devote resources to seek new markets, suppliers and customers. In particular, the Group has obtained a new distributorship agreement with Samsung Electro-Mechanics (Singapore) Pte Ltd in February 2014. As this was obtained towards the end of the last financial year, the revenue inflow improved at a greater level in this financial period considering that it now contributed to 6 months of revenue as compared to one month for the last financial year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No

(b) Corresponding Period of the Immediately Preceding Financial Year

No

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect

The Company did not declare / recommend dividends for the current financial period reported on.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group does not have a general mandate from shareholders for IPTs.

14. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to their attention which may render the financial statements for the six months ended 30 September 2014 to be false or misleading in any material aspects.

15. Use of proceeds.

- (i) As at the date of this announcement, the net proceeds from the placement of 167,072,178 new shares of the Company at S\$0.03699 per share had been utilised as follows:

	Amount allocated S\$ million	Reallocated Amount S\$ million	Amount utilised S\$ million	Balance S\$ million
Partial voluntary prepayment of amounts owing and due under the facility agreement	2.30	2.30	2.30	-
Expansion into the resources business within Myanmar and other regions	1.17	-	-	-
Other business opportunities in Myanmar	1.17	-	-	-
Working capital ¹	1.17	3.51	3.51	-

Note:

1. Used for repayment to suppliers.

The Company had reallocated proceeds allocated for other business opportunities in Myanmar to working capital. The amount reallocated had been fully utilised as at the date hereof as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities in Myanmar.

- (ii) As at the date of this announcement, the net proceeds from the placement of 80,000,000 new shares of the Company at S\$0.10224 per share had been utilised as follows:

	Amount allocated S\$ million	Amount utilised S\$ million	Balance S\$ million
Repayment due to be made by 17 June 2013 to the Bank under a loan facility dated 2 Jun 2010 granted pursuant to a scheme of arrangement involving the Company and the Bank	7.49	7.49	-

- (iii) As at the date of this announcement, the net proceeds from issue of rights cum warrants of 758,382,403 new shares of the Company at the issue price of S\$0.015 per share had been utilised as follows:

	Amount allocated S\$ million	Reallocated Amount S\$ million	Amount utilised S\$ million	Balance S\$ million
Funding of proposed new business	6.94	4.94	4.94 ¹	-
Working capital	3.74	5.74	5.74 ²	-

Note:

1. S\$0.20 million was used for professional fees on due diligence conducted for the Myanmar exploration and S\$4.74 million fully utilised as at the date hereof and as announced on 27 May 2014 as there is no immediate use for the purpose.

2. Used for repayment to suppliers.

The Company had reallocated proceeds allocated for funding of proposed new business to working capital. The amount reallocated had been fully utilised as at the date hereof as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities.

- (iv) As at the date of this announcement, the net proceeds from the placement of 204,050,000 new shares of the Company at S\$0.04302 per share had been utilised as follows:

	Amount allocated S\$ million	Reallocated Amount S\$ million	Amount utilised S\$ million	Balance S\$ million
Fund acquisition of 20% shareholding interest in Dragon Cement Co., Ltd.	8.00	-	-	-
Proposed acquisition of Jubilee ¹		8.00	8.00	-

Note:

1. The Company had reallocated proceeds allocated for funding of acquisition in Dragon Cement Co. Ltd. The amount reallocated had been fully utilised as at the date hereof and as announced on 27 May 2014 as there is no immediate use for the purpose.

- (v) As at the date of this announcement, the net proceeds from issue of rights cum warrants of 874,630,703 new shares of the Company at the issue price S\$0.015 per share had been utilised as follows:

	Amount allocated S\$ million	Reallocated Amount S\$ million	Amount utilised S\$ million	Balance S\$ million
Fund acquisition of 20% shareholding interest in Dragon Cement Co., Ltd.	3.08	-	-	-
Expansion of coal and iron ore business	6.17	6.17	6.17	-
Working capital ¹	3.08	6.16	6.16	-

Note:

1. Used for repayment to suppliers.

The Company had reallocated proceeds allocated for funding of acquisition in Dragon Cement Co. Ltd. The amount reallocated had been almost fully utilised as at the date hereof as there is no immediate use for the purpose and the Company is still in the midst of exploring other business opportunities.

BY ORDER OF THE BOARD

Lee Wei Hsiung
Company Secretary
12 November 2014