

JUBILEE INDUSTRIES HOLDINGS LTD.

(Company Registration No. 200904797H)

(Incorporated in the Republic of Singapore)

RESPONSE TO SGX'S QUERIES

In response to the queries from Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through their Regco Submission dated 29 November 2021, the board of directors (the “**Directors**”) of Jubilee Industries Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) wish to provide the information in respect of the Company’s announcement in relation to the Non-Binding Memorandum of Understanding for the Proposed Disposal of WE Components Pte. Ltd. announced on 27 November 2021 as set out below:-

Query 1

Please clarify if the Target contributes significantly to the Electronic business unit of the Group. Is the Target considered a core subsidiary of the Group?

Company’s Response

Target is a core subsidiary of the Group and it contributes entirely to the overall electronic business unit of the Group as Target is 100% of Group’s Electronic business unit. (see below question 2 on the contribution of Target’s financials to the Group’s financials).

Query 2

Please provide the revenue and profit contribution of the Target to the Group’s financials for FY2020 and 6 months ended 30 Sept 2021.

Company’s Response

Revenue and Profit contribution of the Target to the Group Financials for FY2020 and HY ended 30 Sept 2021 are:

	FY 2020 In S\$’000s	HY 30 Sep 21 In S\$’000s
Group Revenue	133,839	115,315
Target Revenue	109,167	99,992
% Contribution to Group	81.6%	86.7%
Group Profit (Loss)	(3,586)	1,188
Target Profit (Loss)	(2,966)	1,198
% Contribution to Group	82.7%	100.8%*

* Exceeds 100% as there were subsidiaries in the Group which were loss making and these affected the overall Group profit.

Query 3

Please clarify what is left in the Group's electronics business unit upon completion of the Proposed Disposal.

Company's Response

The Proposed disposal is for the Group's entire electronics business unit. Post disposal, Group's residual business will be the Mechanical Business Unit.

Query 4

What are the Board's plans for the Company going forward?

Company's Response

Post the disposal of the Group's EBU, the Group will focus on its commitment to grow and expand MBU with new investments in tool fabrications and technologies for the unit to achieve its long term prospects in various business segments which have been both positive and encouraging in the recent years as seen by MBU's growth in revenue and profit in the last 12 months. The Group will continue its current business strategies to maintain its business resilience and stability as well as profitable growth over the long term and to build sustainable value for the shareholders.

Query 5

It was announced that in addition to the US\$4m consideration of the Proposed Disposal, the Purchaser shall pay the Company such amount of consideration for all the stock held by the Target. As at 30 September 2021, the book value of the Target's inventory was approximately US\$7 million.

- Please clarify if the total consideration for the Proposed Disposal is at least US\$11m.
- Please provide more information on how the US\$4m was determined. Was valuation being conducted or will the Company commission a valuation on the Target's group of companies? If yes, please provide details of the independent valuer. Otherwise, please provide reasons.

Company's Response

- The total consideration for the Proposed Disposal will comprise the sum of US\$4 million and the consideration for the Target's stock, which is to be determined once stock-taking and valuation of the Target's inventory has been completed. As at 30 September 2021, the book value of the Target's inventory was approximately US\$7,000,000. Assuming that the amount of consideration based on the stock-taking and valuation of Target's inventory will not fall below this book value, then the total consideration for the Proposed Disposal would be at least US\$11m.
- No independent valuation was conducted for the proposed disposal. The valuation was arrived at based on willing buyer and seller basis after taking into account a number of considerations, including and without limitation, prevailing market condition of the industry and working capital required to support the business.

BY ORDER OF THE BOARD

Dato' Terence Tea Yeok Kian
Executive Chairman and Chief Executive Officer

1 December 2021

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, Evolve Capital Advisory Private Limited ("Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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.

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