

JUBILEE INDUSTRIES HOLDINGS LTD.

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

THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

1. INTRODUCTION

- 1.1 The Board of Directors ("**Board**" or "**Directors**") of Jubilee Industries Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company is proposing a renounceable non-underwritten rights cum warrants issue of 336,275,456 new ordinary shares ("**Rights Shares**") in the issued and paid-up capital of the Company at an issue price of S\$0.045 for each Rights Share, with up to 336,275,456 free detachable warrants ("**Warrants**"), with each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Warrant Shares**") at an exercise price of S\$0.045 for each Warrant Share, on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing ordinary shares in the capital of the Company, held by shareholders of the Company as at a date and time to be determined by the Directors for the purpose of determining the Shareholders' entitlement (the "**Books Closure Date**"), fractional entitlements to be disregarded ("**Rights cum Warrants issue**").
- 1.2 The Company shall be relying on the general mandate approved by shareholders of the Company on 28 July 2017 to issue the Rights Shares. Accordingly, the Company would not be seeking specific approval from the shareholders at an extraordinary general meeting of the Company.

2. PRINCIPAL TERMS OF THE RIGHTS CUM WARRANTS ISSUE

- 2.1 **Basis of Provisional Allotment.** The Rights cum Warrants Issue is proposed to be made on a renounceable basis to Entitled Shareholders (as defined below) on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing Shares, as at the Books Closure Date, fractional entitlements to be disregarded.
- 2.2 **Size of the Rights cum Warrants Issue.** As at the date of this announcement, the existing issued and paid-up share capital of the Company is 672,550,913 Shares ("**Existing Share Capital**"). Up to 336,275,456 Rights Shares with 336,275,456 Warrants will be issued under the Proposed Rights cum Warrants Issue.
- 2.3 **Issue Price of Rights Shares.** The proposed Issue Price for each Rights Share is S\$0.045, representing a discount of 4.30% to the closing market price of the Shares on Catalist as at the date of this announcement and a discount of approximately 2.88% to the theoretical ex-rights price of the Shares.
- 2.4 **Exercise Price of Warrants.** The proposed Exercise Price of for each Warrant Share shall also be S\$0.045.

- 2.5 **Form and Subscription Rights of the Warrants.** Up to 336,275,456 Warrants will be issued in registered form and will be subject to the terms and conditions to be set out in an instrument by way of a deed poll constituting the Warrants (“**Deed Poll**”). The Warrants will each carry the right to subscribe for one (1) New Share at the Exercise Price of S\$0.045 for each New Share at any time during the period commencing on and including the date of the issue of the Warrants and expiring at 5:00 pm on the date immediately preceding the second (2nd) anniversary of the date of the issue of the Warrants (“**Exercise Period**”), unless such date is a date on which the register of members of the Company (“**Register of Members**”) is closed or is not a day on which Catalist is open for securities trading (“**Market Day**”), in which case the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period(s) during which the register of holders of Warrants may be closed pursuant to the terms and conditions of the Warrants as set out in the Deed Poll. The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.
- 2.6 **Detachability and Trading of the Warrants.** The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on Catalist under the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.
- 2.7 **Eligibility of Shareholders to participate in the Warrants Issue.** The Company proposes to provisionally allot Rights Shares with Warrants to all the “**Entitled Shareholders**”, comprising Entitled Depositors and Entitled Scripholders (both as defined herein).
- 2.8 **Entitled Depositors.** Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited (“**CDP**”) and whose securities accounts with CDP are credited with Shares as at the Books Closure Date (“**Depositors**”) will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must have, at least five (5) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.
- 2.9 **Entitled Scripholders.** Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by B.A.C.S. Private Limited (“**Share Registrar**”), will be registered to determine the provisional entitlements of the transferee (“**Scripholder**”, which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights cum Warrants Issue. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have at least five (5) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.
- 2.10 **Foreign Shareholders.** For practical reasons and in order to avoid violation of relevant securities legislation applicable in countries other than Singapore, the Rights cum Warrants Issue is only made in Singapore and the Rights Shares with Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least five (5) Market Days prior to the Books Closure Date, provided to the

Company, the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). The Offer Information Statement (to be set out in detail below) to be issued for the Rights cum Warrants Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of Rights Shares with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application therefor will be valid. Entitlements to Rights Shares or the Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold "nil-paid" on Catalist after dealings in the provisional allotments of Rights Shares with Warrants commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares and the Warrants are sold "nil-paid" on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares and the Warrants represented by such provisional allotments.

- 2.11 **Status and Ranking.** The Rights Shares with Warrants shall be payable in full upon acceptance and/or application and, upon allotment and issue, will rank *pari passu* in all respect with the then existing issued Shares, save for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which falls before the date of issue of the Rights Shares with Warrants.

The Warrant Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which is on or after the relevant date of exercise of the Warrants and shall rank *pari passu* in all respect with the then existing issued Shares.

For the purpose herein, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

- 2.12 **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of Rights Shares and the Warrants and will be eligible to apply for Rights Shares and the Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Provisional allotments of Rights Shares and Warrants which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares and Warrants (if any) or otherwise

dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for excess Rights Shares and Warrants, if any, provided that where there are insufficient excess Rights Shares with Warrants to allot to each application, the Company shall allot the excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the board of the Company will either be ineligible for excess Rights Shares, or if eligible, rank last in priority for the rounding of odd lots and allotment of excess Rights Shares and Warrants.

Fractional entitlements to the Rights Shares and Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

The Exercise Price and/or the number of Warrants to be held by each Warrantholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital distributions. Any such adjustments shall (unless otherwise provided under the SGX-ST Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") from time to time) be announced by the Company.

- 2.13 The Proposed Rights cum Warrants Issue shall not be underwritten as the proposed transaction will be undertaken by the Shareholders as elaborated in Section 3 below.

3. UNDERTAKING SHAREHOLDERS

Accrelist Ltd. and Summit Planners Advisory Group Pte. Ltd. shall be undertaking the Proposed Rights cum Warrants Issue ("**Undertaking Shareholders**") pursuant to an Irrevocable Undertaking (as defined below). Summit Planners Advisory Group Pte. Ltd. is providing the Irrevocable Undertaking as an existing shareholder of the Company and a potential strategic investor of the Company's holding company, Accrelist Ltd, as announced by Accrelist Ltd. on 11 October 2017.

As at the date of this announcement, the Undertaking Shareholders have an aggregate direct and deemed interest in 435,460,796 Shares ("**Relevant Shares**"), representing approximately 64.75% of the Existing Share Capital. In connection with the Rights cum Warrants Issue and to show their support thereof and to demonstrate their commitment to and confidence in the prospects of the Company, the Undertaking Shareholders have each furnished an irrevocable undertaking dated 10 October 2017 ("**Irrevocable Undertaking**") to the Company that they shall, inter alia, (i) fully subscribe and pay for, and/or will procure that the registered owner holding any of the Relevant Shares on its behalf shall fully subscribe and pay for an aggregate of 217,730,398 Rights Shares with Warrants, being their pro rata entitlement of Rights Shares with Warrants; (ii) not transfer, sell or otherwise dispose of any or all of the Relevant Shares from the date of the Irrevocable Undertaking until the Books Closure Date; (iii) take up all excess Rights Shares in the proportion of 15.0% to Accrelist Ltd. and 85.0% to Summit Planners

Advisory Group Pte. Ltd. respectively in the event the Rights Shares are not fully subscribed; and (iv) that they have sufficient funds (whether by way of credit facilities available or otherwise) to subscribe for or to procure the subscription for an aggregate of up to 336,275,456 Rights Shares and they shall procure and furnish a confirmation to the Company in due course, of their financial resources to fulfil their obligations pursuant to the Irrevocable Undertaking.

For illustration purposes only, based on the assumptions that all the Entitled Shareholders subscribe in full for their pro rata Rights Shares and Warrants entitlements under the Rights cum Warrants Issue (“**Maximum Subscription Scenario**”), up to 336,275,456 Rights Shares and 336,275,456 Warrants will be issued under the Rights cum Warrants Issue.

For illustration purposes only, based on the assumptions that (i) none of the other Entitled Shareholders (as defined above) apart from the Undertaking Shareholders subscribes for their pro rata Rights Shares and Warrants entitlements under the Rights cum Warrants Issue and/or applies for excess Rights Shares; and (ii) the Undertaking Shareholders take up the excess Rights Shares pursuant to the Irrevocable Undertaking (as defined below) under the Rights cum Warrants Issue (“**Minimum Subscription Scenario**”), up to 336,275,456 Rights Shares and 336,275,456 Warrants will be issued under the Rights cum Warrants Issue.

For illustration only, the shareholding interests of the Undertaking Shareholders in the scenarios described above, are set out in the following table:

		Current Shareholding Interests	Maximum Subscription Scenario	Minimum Subscription Scenario	Minimum Subscription Scenario with Full Exercise of Warrants
Number of Shares held by the Undertaking Shareholders	Accrelist Ltd.	435,360,796	653,041,194	670,822,953	906,285,110
	Summit Planners	100,000	150,000	100,913,299	201,726,598
Company's Share Capital		672,550,913	1,008,826,369	1,008,826,369	1,345,101,825
Percentage (%)	Accrelist Ltd.	64.73%	64.73%	66.50%	67.38%
	Summit Planners	0.015%	0.015%	10.00%	15.00%

The Company shall consult the Securities Industry Council to ensure that Accrelist Ltd., as an Undertaking Shareholder, will not incur any mandatory take-over obligations pursuant to Rule 14 of the Singapore Code on Take-overs and Mergers as a result of subscribing for its pro-rata entitlement of Rights Shares, the exercise of its pro-rata entitlement of Warrants, its subscribing for the excess Rights Shares and/or its exercise of the Warrants resulting from the excess Rights Shares. Accordingly, its subscription for the Rights cum Warrants Issue shall be subject to the approval and/or consent of the Securities Industry Council.

As mentioned above, the Undertaking Shareholders shall procure and furnish a confirmation of their financial resources to fulfil their obligations pursuant to the Irrevocable Undertaking.

4. RATIONALE AND USE OF PROCEEDS

- 4.1 **Rationale.** The Rights cum Warrants Issue is proposed to raise funds towards reducing the Group's indebtedness, improving the Group's general working capital position and funding the growth and expansion of the Group through its new business in the electronic and related sectors, as well as for the acquisition of companies for expansion of revenue. In relation to bolstering its general working capital, part of Net Proceeds (as defined below) from the Rights cum Warrants Issue will serve to strengthen the Group's financial position and thereby provide the Group with more flexibility and enhance its ability to formulate, strategize and execute its business plans. A stronger financial position will also allow the Group to seize opportunities for business growth and expansion as and when opportunities arise.
- 4.2 **Use of Proceeds.** The estimated net proceeds will be approximately S\$15,032,396 under both the Maximum Subscription Scenario and Minimum Subscription Scenario ("**Net Proceeds**") due to the Undertaking provided by the Undertaking Shareholders, after deducting professionals' and related expenses incurred in connection with the Rights cum Warrants Issue. The Company intends to use the Net Proceeds in the following proportions:

<u>Use of Net Proceeds in maximum Subscription Scenario</u>	<u>Percentage (%)</u>
General Working Capital	40.0
Merger and Acquisition Activities	30.0
Machine Capacity Expansion	30.0

Assuming all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants will be approximately S\$15,132,396 in both the Maximum Subscription Scenario and Minimum Subscription Scenario ("**Exercise Proceeds**"). As and when the Warrants are exercised, the Exercise Proceeds raised may, at the discretion of the Directors, be applied towards working capital requirements.

Pending the deployment of Net Proceeds and/or Exercise Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and provide a status report on the use of the proceeds raised in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

5. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the Offer Information Statement to be issued by the Company in due course. All Entitled Shareholders will receive the appropriate application forms and accompanying documents at their Singapore addresses.

6. APPROVALS

The Rights cum Warrants Issue will be undertaken pursuant to the share issue mandate (“**Share Issue Mandate**”) approved by Shareholders at the annual general meeting of the Company held on 28 July 2017 (“**AGM**”) and no further Shareholders’ approval will be specifically sought for the Rights cum Warrants Issue and the Warrant Shares arising therefrom. The Share Issue Mandate authorised, *inter alia*, the Directors to issue new Shares whether by way of bonus issue, rights issue or otherwise provided that, among others, the aggregate number of Shares to be issued pursuant to the Share Issue Mandate shall not exceed 100% of the total number of issued Shares as at the date of the AGM (subject to certain adjustments provided in the Share Issue Mandate).

The Rights cum Warrants Issue is subject to, *inter alia*, (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, Warrants and the Warrant Shares on Catalist, and (ii) lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore). RHT Capital Pte Ltd, acting as Sponsor to, and on behalf of, the Company, will submit an additional listing confirmation to the SGX-ST for permission for the listing and quotation of the Rights Shares, Warrants and the Warrant Shares on Catalist. An appropriate announcement will be made in due course to notify Shareholders when the listing and quotation notice is obtained.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this Announcement, none of the Directors and substantial Shareholders of the Company has any interests, direct or indirect, in the Rights cum Warrants Issue (other than in his capacity as Director or Shareholder of the Company).

8. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that after taking into consideration:

- (a) the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements; and
- (b) the present bank facilities and the proceeds from the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

9. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Rights cum Warrants Issue, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Announcement in its proper form and context.

10. FURTHER ANNOUNCEMENTS

Further announcements will be made by the Company in relation to the Rights cum Warrants Issue as and when appropriate.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Non-Executive Chairman
11 October 2017

This Announcement has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of the Announcements.

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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