**JUBILEE INDUSTRIES HOLDINGS LTD.**
(Company Registration No. 200904797H)
(Incorporated in the Republic of Singapore)

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**RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES DATED 11 OCTOBER 2024**

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The Board of Directors (the "**Board**" or "**Directors**") of Jubilee Industries Holdings Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") on 11 October 2024 (each, an "**SGX Query**") and would like to provide further information in relation to the Company's announcement on the proposed disposal of selected business assets of the plastic injection moulding business of the Company's wholly owned subsidiary, WE Total Engineering Sdn. Bhd. ("**WTE**") dated 8 October 2024.

*Unless otherwise defined, all capitalised terms shall bear the same meanings as ascribed to them in the Company's announcement dated 8 October 2024 (the "**Announcement**") in relation to the Proposed Disposal.*

**SGX Query 1:**

*Please clarify if shareholders' approval will be sought for the Proposed Disposal. If not, why not.*

**Company's response**

The Company had preliminarily classified the Proposed Disposal as a "discloseable transaction" in the Announcement. Following further discussions between the Company's management and the Sponsor, on the application of Practice Note 10A and Chapter 10 of the Catalist Rules, the Proposed Disposal will instead be classified as a "major transaction" under Rule 1014, and therefore to be made conditional upon approval by Shareholders in a general meeting of the Company to be convened.

For the avoidance of doubt, there is no change to the relative figures computed on the basis of Rule 1006 which were previously disclosed in the Announcement. The Company would also like to clarify that, due to an inadvertent error, the amount of the Consideration (after conversion to Singapore Dollars) was wrongly stated in paragraph 4.2.1 of the Announcement. The relevant paragraph should read as follows (correction in strikethrough/underlined and bolded for ease of reference):

> "*The consideration for the Proposed Disposal (the "**Consideration**") is RM6,036,000 (or approximately S$1.~~89~~**87** million based on an exchange rate of S$1: RM3.22). The Consideration shall be satisfied entirely in cash and shall be paid in the following manner:*"

**SGX Query 2:**

*It was announced by Accrelist Ltd ("**Accrelist**"), the controlling shareholder of the Company on 8 Oct 2024, that MClean Technologies Berhad ("**MClean**" or "**the Purchaser**") proposed to undertake a private placement ("**MClean Proposed Placement**"). Under the MClean Proposed Placement, Accrelist Crowdfunding Pte. Ltd. ("**Accrelist Crowdfunding**") will be allocated up to 25,000,000 Placement Shares, which may result in Accrelist Crowdfunding's shareholding interest in MClean increasing up to 33%. Accrelist Crowdfunding is wholly owned by Accrelist. In addition, MClean intends to implement the MClean Proposed Placement first before acquiring the Plastic Business of WTE as proceeds will be used to fund for the acquisition.*

a. *Who are on the board of Mclean?*

b. *In view of the above, and given that Terence Tea is the controlling shareholder cum Executive Director of Jubilee and Accrelist, as well as a director of Mclean, Please clarify if the Company has assessed the Proposed Disposal under Chapter 9 of the Catalist Rules?*

**Company's response to (a)**

The current board of directors of MClean (the "**MClean Board**") are:

(a) Datuk Dr. Terence Tea Yoke Kian ("**Terence Tea**") (*Executive Chairman*);
(b) Chuah Ai Wen (*Independent Non-Executive Director*);
(c) Muhammad Radzi Bin Embong (*Independent Non-Executive Director*);
(d) Lee Yee Wooi (*Independent Non-Executive Director*);
(e) Yeo Hock Huat (*Non-Independent Non-Executive Director*); and
(f) Lim Han Kiau (*Non-Independent Non-Executive Director*).

**Company's response to (b)**

Yes, the Company has assessed the Proposed Disposal under Chapter 9 of the Catalist Rules. Please see below for further information.

1. The Proposed Disposal constitutes a transaction between WTE, a wholly-owned subsidiary of the Company, and MClean. As disclosed in the Announcement, Accrelist Crowdfunding, a wholly owned subsidiary of Accrelist, holds 28.53% of the issued share capital of MClean. Accrelist is a controlling shareholder of the Company with a direct interest in 52.50% of the Company's issued share capital.

2. Pursuant to Rule 904(4) of the Catalist Rules, an "interested person" includes an associate of a controlling shareholder of the Company. Under the Catalist Rules, an "associate" in relation to a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more. Based solely on Accrelist Crowdfunding's 28.53% stake in MClean, MClean is technically not regarded as an "*interested person*" under Rule 904(4) as it is not an associate of Accrelist within the definition provided under the Catalist Rules. On this basis, it was initially assessed that the Proposed Disposal does not constitute an interested person transaction.

3. However, following further discussions with the Sponsor and notwithstanding Accrelist Crowdfunding's less than 30% stake in MClean, the Company has decided to take a holistic view of the Proposed Disposal and its substance rather than focusing solely on legal form and technicalities to treat MClean as an "interested person" *vis-à-vis* WTE, the Company's 100% subsidiary that is not listed on the Exchange or an approved exchange and therefore an "entity at risk" under Rule 904(2). Accordingly, the Proposed Disposal will be treated as an interested person transaction under Chapter 9 of the Catalist Rules.

4. The above decision was arrived at after taking into consideration the following information set out in MClean's announcement dated 8 October 2024 released on Bursa Malaysia (the "**MClean Announcement**"[1]):

(a) MClean Proposed Placement

The MClean Proposed Placement entails the issuance of up to 49,300,000 shares in MClean (the "**MClean Shares**"), with up to 25,000,000 MClean Shares to be allocated to Accrelist Crowdfunding. Pursuant to the SPA, one of the Conditions for Completion is MClean's receipt of the proceeds to be raised pursuant to the MClean Proposed Placement of not less than the Consideration amount.

Based on the MClean Announcement, the MClean Shares that may be allocated to Accrelist Crowdfunding pursuant to the MClean Proposed Placement may potentially result in Accrelist Crowdfunding increasing its stake to more than 30% in MClean following completion of the MClean Proposed Placement. As at the time of the release of this announcement, the Company notes that Accrelist has announced that Accrelist Crowdfunding has not, as at the date of such announcement, provided any commitment and/or undertakings in respect to the MClean Proposed Placement[2].

Notwithstanding Accrelist's and/or Accrelist Crowdfunding's current intentions in relation to the MClean Proposed Placement, Shareholders should note that neither the Company nor WTE is a party to the MClean Proposed Placement and that the Company and Accrelist are separate legal entities. The Board (excluding Terence Tea) is unable to control, determine or influence any decisions that may be taken by Accrelist and/or Accrelist Crowdfunding in connection with the MClean Proposed Placement which if taken up by Accrelist Crowdfunding and depending on the number of shares subscribed, may result in Accrelist Crowdfunding increasing its stake in MClean to 30% or more.

For any updates on and/or changes to Accrelist's and/or Accrelist Crowdfunding's plans on the MClean Proposed Placement, Shareholders should refer to the announcements as may be released by Accrelist from time to time. For any updates on and/or changes to the MClean Proposed Placement, Shareholders should refer to the announcements as may be released by MClean on Bursa Malaysia from time to time.

(b) Terence Tea

Terence Tea is the Company's Executive Chairman and Chief Executive Officer, and controlling shareholder (by virtue of his direct interest as well as deemed interest via the Company's shares held by Accrelist).

Terence Tea is the Executive Chairman and Managing Director of Accrelist. He holds approximately 26.27% direct and deemed interests in Accrelist.

Terence Tea is the Executive Chairman of MClean and one out of the six directors on the MClean Board. Based on the MClean Announcement, the MClean group of companies (the "**MClean Group**") has identified Terence Tea to oversee MClean

[1] Shareholders may wish to refer to the MClean Announcement on the website of Bursa Malaysia which is accessible at <https://www.bursamalaysia.com/market_information/announcements/company_announcement> (link accessed as at or around the time of the release of this announcement by the Company).

[2] Shareholders may wish to refer to Accrelist's announcement dated 8 October 2024 accessible on the SGX-ST's website.

Group's operations of the plastic injection moulding business. The Company understands that MClean's acquisition of WTE's Plastic Business is subject to the relevant shareholders' approvals being obtained for the proposals set out in the MClean Announcement (which includes the proposed diversification of the MClean Group's existing business to include the plastic injection moulding business).

As the Proposed Disposal will be treated as an interested person transaction, the Company will be releasing an announcement (supplementing the earlier Announcement) (the "**Supplemental Announcement**") to set out the information required to be disclosed under Chapter 9 of the Catalist Rules.

**SGX Query 3:**

*It was announced that no third-party valuation was carried out for the Proposed Disposal.*

a. *Please elaborate on the Board's considerations as to why no valuation was carried out?*

b. *What is the Board's opinion and bases on how this is in the best interest of the Company and its minority shareholders?*

**Company's response to (a)**

The Board (except Terence Tea who did not participate in the Board's deliberations of the Proposed Disposal) (the "**Independent Board**") had assessed that no valuation was to be carried out prior to the signing of the SPA. This decision was based on the understanding that the Consideration (which was arrived at on a *"willing-buyer willing-seller"* basis) aligns with the total net book value attributable to WTE's Plastic Business as at 31 August 2024 based on WTE's management accounts for the 5-months financial period ended 31 August 2024. Both WTE and MClean had agreed to rely on such management accounts (being WTE's latest financial information available at or around the time of signing of the SPA) to determine the net book value of WTE's Plastic Business and the Consideration amount.

In addition, the relative figures for the Proposed Disposal computed on the bases under Rule 1006 were all less than 75% (taking into account only the absolute values). This also appears to be generally consistent with the approach under Rule 1014(5) which requires an issuer to appoint a competent and independent valuer to value the assets to be disposed only if any of the relative figures exceeds 75%. Nevertheless, given that the Proposed Disposal will be treated as an interested person transaction and subject to review by the independent financial adviser ("**IFA**") to be appointed to comply with the requirements under Chapter 9 and the relevant guidelines issued by the SGX RegCo as to their expectations of IFAs, the Company will commission a valuation for the assets which are the subject of the sale pursuant to the Proposed Disposal if required for the IFA to undertake its assessment of the transaction and issue its opinion.

Shareholders should refer to the Supplemental Announcement to be released by the Company in due course for information on the Proposed Disposal required to be disclosed for compliance with Chapter 9 of the Catalist Rules.

**Company's response to (b)**

The Independent Board is of the view that the Proposed Disposal, if completed, will be in the best interest of the Company and its minority shareholders after taking into account the following:

(a) WTE was loss-making in the financial years ended 31 March 2022 and 31 March 2023 and was only profitable in FY2024, recording a net profit after tax of RM1,894,660 (or approximately S$588,404 based on an exchange rate of S$1: RM3.22);

(b) out of the net profits after tax of RM1,894,660: (i) gain on sale of subsidiary and gain on sale of associates were RM921,260 and RM10,837 respectively (or approximately 48.62% and 0.57% respectively of WTE's total net profits after tax for FY2024); and (ii) RM146,667 (or approximately 7.74% of WTE's total net profits after tax for FY2024) was attributable to foreign exchange gains. For the 5-month period ended 31 August 2024, based on WTE's unaudited accounts, WTE made a slight profit of approximately RM76,189 (or approximately S$23,661 based on an exchange rate of S$1: RM3.22); and

(c) the Independent Board understands from management that to improve WTE's profitability (which currently records only slight profits) will require an expansion of WTE's plastic injection moulding business. The actual benefits from the economies of scale resulting from such expansion is however envisaged to be limited due to the substantial additional costs that are expected to be incurred to fund WTE's business expansion in Malaysia. Management believes that any available financial resources of the Group may be better utilised to pursue and/or fund other potential businesses opportunities that the Group identifies as suitable for investment and/or the Group's remaining Mechanical Business Unit carried out by the HF Group (as defined below) which may in turn generate better returns for shareholders. On the other hand, the MClean Group is principally involved in the surface treatment for electrical and electronics products and precision cleaning for hard disk drives businesses. With its resources and capabilities, the MClean Group may be better placed to further expand WTE's business and enjoy the consequential economics of scale and/or capitalise on certain opportunities in the plastic injection moulding business in Malaysia while at the same time allowing the Group to exit the business in Malaysia with no gain or loss from the Proposed Disposal (other than expenses to be incurred); and

(d) WTE's rental of the premises in Johor which houses its factory is expected to expire in July 2025. The Independent Board understands from the management that based on latest information available to management, the landlord is unlikely to renew or extend the rental, in which case, additional costs and expenses are likely to be incurred for relocation of WTE's factory in addition to substantial time expected to be spent for such relocation which may disrupt factory operations.

**SGX Query 4:**

*It was announced that any amounts due from debtors of WTE as at the Cut-Off Date (i.e. 31 August 2024) (the "**Accounts Receivables**") and all Account Receivables collected by WTE after the Cut-Off Date shall belong to MClean, the Purchaser.*

a. *Please explain why the Company had agreed to assign all the Account Receivables after the Cut-Off Date to MClean, before the Company receives the full payment of disposal consideration and before completion of the Proposed Disposal?*

b. *Is this in line with industry practices?*

c. *What is the Board's opinion and bases on how this is in the best interest of the Company and its minority shareholders?*

**Company's response to (a)**

For avoidance of doubt, the relevant part of paragraph 4.1.2(d) of the Announcement which refers to such Account Receivables is set out below (emphasis added in bold and underlined):

> *…all Account Receivables collected by WTE after the Cut-Off Date shall belong to the Purchaser. WTE shall pay or cause to be paid all Account Receivables collected by it after the Cut-Off Date (if any) to the Purchaser upon receipt of the same or upon the date of completion as determined under the SPA (the "**Completion Date**"), **whichever is later**…*

The Proposed Disposal constitutes the sale by WTE to MClean of selected business assets. As the Account Receivables form part of these business assets which are to be sold under the terms of the SPA, the Account Receivables (as at **31 August 2024**) will be assigned to the Purchaser subject to completion (i.e. on the actual date on which the consideration is paid in full).

For Shareholders' information, details of the total net book value of WTE's Plastic Business (including the Account Receivables) as at 31 August 2024 is set out below. The Consideration is based on the net book value attributable to such assets as at **31 August 2024** which reflects the carrying value of such assets based on the management accounts of WTE for the 5-months financial period ended 31 August 2024.

| **Name** | **Description** | **Net book value (RM'000)** |
|---|---|---|
| Account Receivables | Amounts due from WTE's trade debtors for its plastic injection moulding business as at 31 August 2024 | 3,008 |
| Inventories | Comprising all stocks, work in progress, finished and semi-finished goods as well as packaging materials for WTE's plastic injection moulding business as at 31 August 2024 | 1,753 |
| Plant and machinery - Moulding | Plant and machinery to be used for the process of moulding the plastic that will be used to produce parts and components | 528 |
| Deposits and pre-payments | Includes, amongst others, the deposits for the rental of the factory, electricity supply, telephone installation, copier machines, hostel for employees and pre-payments for the insurance premium for the operation of WTE's plastic injection moulding business as at 31 August 2024 | 527 |
| Plant and machinery – Tooling | Plant and machinery to be used for the process of designing, cutting, shaping and forming materials that will be used to produce parts and components | 89 |
| Advance payments to the suppliers | Advance payments made by WTE to the suppliers for the purchase of raw materials for WTE's plastic injection moulding business as at 31 August 2024 | 72 |
| Electrical fittings and built in systems | Components and devices installed in the factory to support the operations of WTE's plastic injection moulding business | 44 |
| Factory equipment and accessories | General equipment in the factory used for assembling, repairing, or maintaining machinery and parts as well as furniture fittings | 15 |

| | | |
|---|---|---|
| **Total net book value** | | **6,036** |

Pursuant to the terms of the SPA, the title and ownership to WTE's selected business assets which are being sold (including the Account Receivables) under the SPA will pass to the Purchaser subject to the relevant Conditions Precedent and Conditions for Completion being satisfied (or waived, as the case may be) in accordance with the terms of the SPA.

In respect of the Account Receivables, in the event that completion of the Proposed Disposal takes place and WTE collects any Account Receivables after 31 August 2024, in accordance with the terms of the SPA, WTE will have to pay to the Purchaser such Account Receivables it receives on either: (i) the Completion Date (i.e. the actual date on which the consideration is paid in full); or (ii) (if the Proposed Disposal is completed and WTE collects such Account Receivables *after* the Completion Date) when it receives such Account Receivables. This is set out in paragraph 4.1.2(d) of the Announcement.

**Company's response to (b)**

The Company believes that it is not uncommon for parties to a sale and purchase transaction to agree on the cut off date for determining the value of the asset and for the purposes of determining the consideration.

**Company's response to (c)**

The Account Receivables are amounts due from WTE's trade debtors for its plastic injection moulding business as at 31 August 2024. Pursuant to terms of the Proposed Disposal, it is agreed that subject to completion, the Account Receivables as at 31 August 2024 shall be assigned to the Purchaser.

Please also refer to the Company's response to query 3(a) above.

**SGX Query 5:**

*It was announced that the Company will still be in the plastic injection moulding business through its 40% stake in Honfoong Plastic Industries Pte. Ltd, notwithstanding the Proposed Disposal.*

a. *What's the revenue contribution from Honfoong Plastic Industries Pte. Ltd?*

b. *What are the assets and business remaining in the Group upon completion of the Proposed Disposal?*

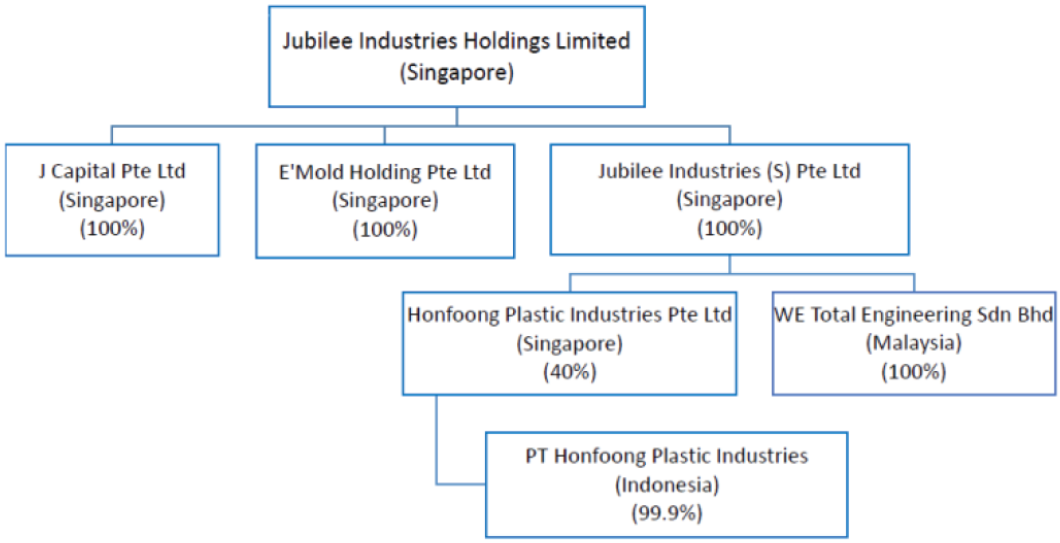
**Company's response**

Based on the audited consolidated financial statements of the Group for FY2024, the revenue of Honfoong Plastic Industries Pte. Ltd. ("**Honfoong**") and its subsidiary, PT Honfoong Plastic Industries, in FY2024 (collectively the "**HF Group**") is approximately S$12,964,000. As the Group had sold down its stake in Honfoong from 77.1% to 40.0% on 29 September 2023, Honfoong's revenue was not consolidated with the Group's revenue for FY2024. The HF Group's results are reflected as share of results of associates in the Group's audited financial statements for FY2024.

Following completion of the Proposed Disposal, the Group's principal business segment will be its Mechanical Business Unit, which comprise (i) the provision of precision plastic injection moulding and (ii) design, fabrication and sale of precision plastic injection moulds, with business activities in Singapore

and Indonesia, as carried out through the Company's 40% interest in Honfoong (held via Jubilee Industries (S) Pte. Ltd.).

The structure of the Group following completion of the Proposed Disposal will remain as follows as the Proposed Disposal constitutes a sale of WTE's specific business assets and not a disposal of the Group's shareholding in WTE (held through Jubilee Industries (S) Pte. Ltd.). As set out in paragraph 3 of the Announcement, WTE is however expected to be a dormant subsidiary of the Company and will not carry out any plastic injection moulding business.




**SGX Query 6:**

*It was announced that WTE had undertaken not to compete with, solicit from, or interfere with the Plastic Business in Malaysia, nor disclose confidential information or use similar names, for five years without the Purchaser's consent. What did the Board consider in agreeing to such restrictions and how will it impact the Company's remaining plastic injection moulding business?*

**Company's response**

In agreeing to such restrictions, the Board considered several factors, including the Group's current presence in Malaysia via WTE's precision plastic moulding business. The Proposed Disposal constitutes the sale by WTE of its specific business assets which are material to the running and operations of such business. Following completion of the Proposed Disposal, WTE will have no/ minimal asset to continue to operate its plastic injection moulding business in Malaysia.

The Proposed Disposal is also being undertaken to allow the Group to monetise the investments for the Company and exit the plastic injection moulding business carried out by WTE in Malaysia with no gain or loss from the Proposed Disposal (other than expenses to be incurred in relation to the Proposed Disposal). Please also refer to the response to SGX Query 3(b) above as to the factors taken in consideration leading to the decision to exit the plastic injection moulding business in Malaysia through the Proposed Disposal.

In light of the foregoing, the Independent Board believes that the non-compete restrictions were deemed reasonable terms and will not adversely affect the Company as it is not expected that the Group will undertake such business activities in Malaysia following completion of the Proposed Disposal.

The Independent Board also understands from management that the inclusion of such non-compete provisions are common in transactions such as the Proposed Disposal.

Should the Proposed Disposal be completed, the Company's remaining plastic injection moulding business will be carried out in Singapore and Batam, Indonesia, via the HF Group (comprising Honfoong and PT Honfoong Plastic Industries). The Independent Board understands from management that the HF Group companies do not carry out any activities in Malaysia and the operations of HF Group entities are carried out separately from WTE in different geographic locations and with employees employed in those locations. Based on the foregoing, the Independent Board believes that the completion of the Proposed Disposal is not expected to have any material impact on the plastic injection moulding business carried out by the HF Group in Singapore and Batam, Indonesia.

**SGX Query 7:**

*What are the Company's future business plans?*

**Company's response**

As at the date of this response, the Independent Board understands from management that the Company intends to continue to engage in the plastic injection moulding business through its 40% stake in Honfoong. The Group will also continue to actively assess new potential businesses opportunities for investment, if any.

The Company will update Shareholders at the relevant junctures as required under the Catalist Rules.

**SGX Query 8:**

*Please provide the Board's confirmation as to whether sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner and the bases for its views.*

**Company's response**

The Board is of the view that all material information relating to the Proposed Disposal has been disclosed and will continue to update Shareholders at the relevant juncture as and when there are material developments on the same. Shareholders should also note that the Company will be releasing the Supplemental Announcement given that the Proposed Disposal will be treated as an interested person transaction. Shareholders should read the Announcement together with the aforesaid Supplemental Announcement to be released by the Company in due course.

In view of the foregoing, the Board confirms that sufficient information has been disclosed to enable trading of the Company's shares to continue in an orderly manner.

**BY ORDER OF THE BOARD**

Mr Cheong Keng Chuan, Alfred
Lead Independent Director

14 October 2024

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

*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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