



## **WE Holdings' associate Jubilee Industries acquires 26% of Malaysia's largest EMS player EG Industries for S\$8.4m**

- **Top 50 global EMS provider, EG Industries has an annual revenue of S\$313.0 million<sup>1</sup>; Jubilee will manage and further enhance EG Industries' procurement segment which contributes an annual revenue of S\$250 million<sup>2</sup> and its R&D arm**
- **Jubilee Industries has signed a non-binding MOU with WE Holdings to fully acquire its Electronic Components unit, WE Components Pte. Ltd at a mutually agreed purchase consideration<sup>3</sup> for its annual revenue contribution of S\$72.0 million<sup>4</sup>**
- **Integrating WE Components' distribution and design expertise with EG Industries' R&D capabilities and procurement scale to transform Jubilee Industries into a one-stop electronics solution provider**
- **Going forward, WE Holdings will concentrate on its fast-growing commodities businesses and Myanmar investments**

Singapore and Hong Kong, 13 July 2014 – WE Holdings Ltd (“WE Holdings” or the “Company” and together with its subsidiaries, the “Group”) announced today that its associate, Jubilee Industries Holdings Ltd (“Jubilee Industries”) is acquiring a 26% stake in Malaysia’s largest electronic manufacturing services (“EMS”) player, EG Industries Berhad (“EG Industries”). This acquisition, with an aggregate purchase consideration of S\$8.4 million<sup>5</sup>, will spur Jubilee Industries’ transformation into a one-stop electronics solution provider for customers by developing products design and the required plastic injection moulding. To complete its one-stop solution business model, Jubilee Industries has also signed a non-binding memorandum of understanding (“MOU”) with WE Holdings to fully acquire its Electronic Components unit, WE Components Pte. Ltd. (“WEC”) at a mutually agreed purchase consideration<sup>2</sup>.

Listed on the Bursa Malaysia Securities Berhad (“BMSM”) in 1993, Malaysia-based EG Industries is Malaysia’s largest EMS provider with an annual revenue of S\$313.0 million<sup>1</sup>. Its sizeable procurement segment contributed a significant S\$250 million<sup>2</sup> towards EG Industries’ FY2013 revenue. Through this acquisition, Jubilee Industries will manage and further enhance the procurement segment to obtain greater

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<sup>1</sup> Revenue is based on EG Industries FY2013’s total revenue at an exchange rate of RM1 : S\$0.391654.

<sup>2</sup> EG Industries’ procurement segment annual revenue is based on an exchange rate of RM1 : S\$0.391654.

<sup>3</sup> The purchase consideration will be fulfilled in cash and shall be an amount to be mutually agreed upon between the Purchaser and the Vendor. The purchase consideration will be calculated based on the net tangible asset value (“NTA”) of the inventories, plant and equipment of WEC based on the audited accounts of WEC for the financial year ended 31 March 2014 (“FY2014”), plus a premium to be agreed upon between WE Holdings and Jubilee Industries. Please refer to the announcement for the details of the purchase consideration.

<sup>4</sup> Revenue is based on WE Holdings’ FY2014 revenue at an exchange rate of US\$1 : S\$1.24844.

<sup>5</sup> The purchase consideration, to be fulfilled in cash, will be based on RM1.0 per share and at an exchange rate of RM1 : S\$0.391654. Please refer to the announcement for the details of the purchase consideration.

bargaining power with suppliers and generate economies of scale while offering an expanded product portfolio to its customers.

Sharing a similar customer base, this synergistic acquisition is mutually beneficial for both EG Industries and Jubilee Industries as their respective plastic moulding and procurement segments can be combined to achieve greater cost-savings, operational efficiency and a more competitive pricing in the market.

Jubilee Industries commented, “We see positive synergies from both acquisitions to accelerate our growth strategy. The vertical integration of EG Industries will complete our entire supply value chain to generate cost and operating efficiencies, while the design expertise of WEC will value-add EG Industries’ R&D capabilities to help us achieve an ecosystem of technological innovation. In creating a comprehensive one-stop solution, we will have an integral platform to increase our growth opportunities through the delivery of economies of scale, quality and convenience for our global customers. This is a milestone development as we usher in a new era of growth for Jubilee Industries. Barring unforeseen circumstances, the acquisition of EG Industries and proposed acquisition of WEC are expected to yield meaningful contributions for our future performance.”

EG Industries commented, “We are pleased to add-on to Jubilee Industries’ capability as a provider of precision mould design and fabrication with our valuable procurement segment. We believe that our innovations through our R&D arm will yield greater value for our supply chain. Supported by our manufacturing facilities in Malaysia and Thailand, EG Industries’ operates a profitable and cash generative business with a global presence. With our integration into Jubilee Industries, we are confident that our product and service offerings can be extended beyond our current networks.”

As for the proposed acquisition of WEC, Jubilee Industries will stand to gain access to the former’s S\$72.0 million<sup>3</sup> annual revenue generating business through its distribution channel, design services, as well as system integration facilities. With the proposed amalgamation of WEC’s distribution and design expertise, and EG Industries’ R&D capabilities and procurement scale, Jubilee Industries will be well-positioned as a one-stop electronics service provider in the global market.

WE Holdings commented, “To concentrate the Company’s efforts and financial resources on our fast-growing commodities businesses of coal, iron ore, cement and oil, we have signed a MOU to divest our Electronic Component business to our associate Jubilee Industries.

With the proposed integration of WEC with EG Industries and Jubilee Industries to become a one-stop solution provider, we will be able to provide a full suite of products and services for our global market while enjoying lower cost, operational synergy, improved bargaining power and competitive pricing. Moving forward, we are confident that Jubilee Industries’ will reach greater heights with its successful evolution into a one-stop electronics solution provider.”

**-The End-**

## **About WE Holdings Ltd**

Identifying growth opportunities in the regional market, We Holdings embarked on its diversification strategy into the commodities sector. As such, the Group has streamlined the commodities businesses into two key units, namely:

- Coal and Iron Ore
- Cement and Oil

For the Coal and Iron Ore business, the commodities will be traded mainly in China with the Group seeking to expand beyond China in the near-mid-term. We have since commenced the iron ore business with the first shipment delivered in February 2014.

For the Cement and Oil business, the Group intends to acquire shares in Dragon Cement Co., Ltd, a company that is principally engaged in the business of cement manufacturing, and is majority-owned by His Excellency Nay Win Tun ("H.E Nay Win Tun"). H.E Nay Win Tun is a prominent Myanmar businessman and the Chairman of the Ruby Dragon Group of companies.

Riding on the vast opportunities present in Myanmar, WE Holdings' also has a proposed joint venture with WE Dragon Resources Pte. Ltd. to assess potential petroleum, oil and gas, and related resources business opportunities in Myanmar. Both proposed acquisition and joint venture are currently pending approval from Myanmar Investment Commission.

In addition to the above, the Group will explore opportunities in the exploration, extraction/mining and trading of energy and metal resources and the production and trading of sand and steel, subject to shareholders' approval.

## **About Jubilee Industries Holdings Ltd**

On 27 May 2014, WE Holdings acquired 24.9% stake in Catalyst-listed Jubilee Industries Holdings Ltd ("Jubilee Industries") for an aggregate consideration of S\$14.0 million with the objective to establish a one-stop solution business model to accelerate the growth of its Electronic Components business.

Jubilee Industries is a provider of precision mould design and fabrication, injection moulding and value-added services. It provides design, fabrication and sale of precision plastic injection moulds, precision plastic injection moulding ("PPIM") services and other PPIM-related value added services for consumer electronics, computer peripherals, automotive and household appliances. Headquartered in Singapore, its production facilities span across Malaysia and the People's Republic of China, and its products are sold to customers in the United States, Singapore, Europe and Malaysia.

## **About EG Industries Berhad**

EG Industries Berhad ("EG Industries"), headquartered in Sungai Petani, Kedah Malaysia, was listed on the Bursa Malaysia in 1993 as an investment holding company. Through its two largest subsidiaries SMT Technology Sdn Bhd at Malaysia and SMT Industries Co., Ltd at Thailand, the company specializes in the provision of electronic manufacturing services ("EMS") for electronics, electrical, telecommunication and automotive industrial products such as hard disk drives, bluetooth headsets, car navigators, automotive industrial, medical and other electronics products. Its global customers include major multinational corporations such as Western Digital, Dyson, OJ Electronics, Oxylane, WSI and Medtronic. With procurement and R&D capabilities supported by two manufacturing facilities in Malaysia and Thailand, EG Industries serves a wide customer base spanning Malaysia, Singapore, Europe, United States and Thailand.

EG Industries, rated as the Top 50 Global EMS Provider by US-based Global Manufacturing Marketing Insider since March 2012 to March 2014 continuously, also offers a whole range of services ranging from product design, original equipment manufacturer and original design manufacturer for complete box build manufacturing and full turnkey solutions. With two manufacturing facilities in Malaysia and Thailand, EG Industries serves a wide customer base spanning Malaysia, Singapore, Europe, United States and Thailand.

**Issued for and on behalf of WE Holdings Ltd**  
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