

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

RESPONSES TO QUESTIONS FROM SHAREHOLDERS IN RELATION TO THE ANNUAL GENERAL MEETING OF THE COMPANY TO BE HELD ON 11 OCTOBER 2023

The Board of Directors (the “**Board**” or “**Directors**”) of Jubilee Industries Holdings Ltd. (the “**Company**” or “**Jubilee**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s Annual Report for the financial year ended 31 March 2023 (“**Annual Report 2023**”) and the Notice of Annual General Meeting (“**AGM**”) dated 26 September 2023 in relation to the AGM to be convened and held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on Wednesday, 11 October 2023 at 10.00 a.m., both of which were issued by the Company on 26 September 2023.

Unless otherwise defined, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Annual Report 2023.

As at the stipulated deadline for submission of questions (being 11.59 p.m. on 4 October 2023), the Company has received the following substantial and relevant questions from shareholders, and the Board wishes to provide the Company’s responses to these questions as set out below.

Questions received from Shareholder(s):

1. With the divestment of EG shares, WEC stake and partial divestment of Honfoong stake, the company stock price appears to be currently trading at below its cash per share. However, the company has not made any share buyback since Nov 2022. Can you explain why the company has not made any effort to improve its share price, which is trading at below its NAV and cash/share level? Please elaborate.

Company’s response:

As share price movements are subject to market forces beyond our control, the Company focused its efforts on unlocking value for shareholders and has successfully completed its planned divestments as mentioned above.

As Special Business during the Company’s upcoming AGM, Shareholders will have the opportunity to consider and, if thought fit, to pass the Renewal of the Share Buyback Mandate.

2. Earlier last month, shareholders approved the disposal of a partial stake in Honfoong. Has the divestment been completed? Please advise and elaborate on the status of the partial stake sale of Honfoong?

Company’s response:

The Board announced on 4 October 2023 that WE Total Engineering Sdn. Bhd. (“**WETE**”) completed its partial disposal of Honfoong Plastic Industries Pte. Ltd. (“**Honfoong**”) on 29 September 2023.

Following the completion of this disposal, WETE retains a 40% shareholding interest in Honfoong, and Honfoong is no longer an indirect subsidiary but an indirect associate company of Jubilee.

3. The auditor stated that they "were unable to carry out our audit procedures or alternative procedures as auditors of the Company on the financial statements of the We Total sub-group for the purpose of providing an opinion on the Group's consolidated financial statements. Consequently, we were unable to determine what adjustments, if any, may be required to the Group's consolidated financial statements."

Please explain clearly why the auditor was unable to carry out audit procedures or alternative procedures as auditors of the Company on the financial statements of the We Total sub-group? Could you explain clearly why the auditor was unable to do so? Was the files missing? Did the company hinder their work? What exactly transpired that resulted in the auditor being unable to do their job? Please elaborate.

Company's response:

Please refer to the Company's announcement on 4 October 2023, Responses to SGX Queries.

4. Post the disposals, the company is left with only a 40% stake in Honfoong? Can I confirm if the company has any other meaningful businesses besides its 40% stake in Honfoong? Please name and describe the other businesses, if applicable?

Company's response:

In addition to the Company's 40% shareholding interest in Honfoong, the Company engages in precision plastic injection moulding as well as mould design and fabrication through its wholly-owned subsidiary, WETE.

The Group will also continue to assess new potential businesses for investment and will update shareholders in due course should any suitable opportunities arise.

5. Given the challenging business environment due to high interest rates, high inflation, uncertain geopolitical environment, increase in business costs due to higher oil prices, higher water prices, higher commodities prices etc, the current business environment is simply difficult and unconducive to operate. Hence, I would like to advise the company to sell off its remaining stake and liquidate the company and return all proceeds to shareholders, rather than acquiring new businesses and losing shareholders monies. Please provide your views and comments on my assessment.

Company's response:

The current challenging business environment has impacted many businesses. Despite the external headwinds, the Group remains cautiously optimistic about long-term growth opportunities and will carefully assess any new potential businesses for investment and update shareholders in due course should any suitable opportunities arise.

6. Patient, long-suffering shareholders have not been paid dividends for years. The company has committed to payout the proceeds of its recent disposals such as that of EG shares, WE Components and partial stake in Honfoong to shareholders. This is a nice gesture and very much appreciated. Please provide the latest updates on the progress of the capital reduction exercise to reward long-suffering shareholders. When will the Capital reduction EGM be held? When will shareholders receive the proceeds of the disposals? And what is the quantum of distribution expected? Please elaborate.

Company's response:

The Company will make further announcements to update its shareholders when there are material updates as may be necessary or appropriate, including the need to seek shareholders' approval for other resolutions in the future.

7. I note that our controlling shareholder, Accrelist is also a listed company. What is the purpose for Accrelist having two separate listed entities, Accrelist itself and Jubilee? This results in increased, duplicate and unnecessary listing costs, compliance costs, etc. I would like to suggest that the company sell away its stake in Honfoong to Optium Gains, or to the controlling shareholder Accrelist (via IPT transaction), and thereafter liquidate the company and return all proceeds to shareholders, instead of wasting money on unnecessary and duplicate listing and compliance costs. Alternatively, the company can consider a RTO/VSA (after selling its 40% stake in Honfoong and returning all cash to shareholders). Please provide your views and comments on my suggestions.

Company's response:

Jubilee has been listed on SGX-Catalist since 2009. In FY2017, Accrelist Ltd. ("**Accrelist**") provided a convertible loan to support Jubilee's growth. In FY2018, Accrelist increased its stake by converting the outstanding loan into Jubilee shares. Post-completion of the disposals, Jubilee continues to assess new potential businesses for investment, which are separate and apart from the controlling shareholder's current focus on medical aesthetics in Accrelist. For these reasons, Jubilee and Accrelist remain separate listed entities, given their respective businesses' different nature and focus.

The Company sees value in retaining a stake in Honfoong to capture potential long-term gains. Through synergies with Optium Gains, Honfoong is expected to benefit from access to new customers, deeper expertise and stronger financial resources.

8. I note there were more than 30 corrections reported in the "MATERIAL DIFFERENCE BETWEEN UNAUDITED FINANCIAL STATEMENTS AND AUDITED FINANCIAL STATEMENTS". Can the company explain why there were so many material differences between unaudited and audited financial statements? Are the accountants and finance professionals employed by the company competent and up to the task? Can you explain the reasons for the numerous variances between the audited and unaudited statements? Please elaborate.

Company's response:

The variances are partially attributed to the complications of financial disclosures in the audited financial statements due to the sale of WE Components Pte. Ltd. ("**WEC**") and the partial sale of Honfoong. In view of the sale, the Profit and Loss and Balance Sheets of both WEC and Honfoong have to be disclosed separately.

The remaining variances are attributable to the reconciliation of figures to match third-party supporting documents obtained only after the financial year ended on 31 March 2023.

We have established accounting protocols and practices for the different companies in the Group, and the heads of finance and accounting in the Group's business units possess relevant professional accounting qualifications. The Group remains committed to its efforts to develop accounting and finance staff by providing relevant training to ensure that the team is well-equipped with up-to-date knowledge to handle evolving financial reporting standards.

9. With reference to pg 96 of AR, I note that for 2023, there were no trade receivables categorised under the row "not past due" and "<30 days past due". Can you explain why there was no trade receivables under the row "not past due" and "<30 days past due"? Did our customers pay in a very timely manner? Or there were just no new orders and hence no new receivables? Or is the company winding down its operations for its MBU business? Please elaborate on the reasons for the unusual lack of activity and numbers for trade receivables categorised under the row "not past due" and "<30 days past due".

Company's response:

The MBU's trade receivables referenced on Page 96 of the report are mostly related to the We Total sub-group. In light of the challenges faced by the Management as described in the Company's announcement on 4 October 2023, Responses to SGX Queries, the unaudited management accounts for the We Total sub-group were used at the time amidst severe time constraints and limited resources.

The Group's MBU continues to receive new orders and timely payments from its customers. In particular, the Company is encouraged by the MBU's mould design and fabrication services business, which remains robust with new orders received from various industry segments.

BY ORDER OF THE BOARD

Dato' Terence Tea Yeok Kian
Executive Chairman and Chief Executive Officer
6 October 2023

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").

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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