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

ENTRY INTO SHAREHOLDERS' AGREEMENT

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1. INTRODUCTION

1.1 The Board of Directors (the "**Board**") of Jubilee Industries Holdings Ltd (the "**Company**" and together with its subsidiaries, the "**Group**") refers to the announcement of the Company dated 21 June 2022, pursuant to which the Company and UPC Electronics Pte Limited ("**UPC**") entered into a sale and purchase agreement (the "**SPA**") for the sale of the Company's 14% shareholdings in We Components Pte. Ltd ("**WEC**") (the "**Disposal**").

1.2 Pursuant to the SPA, the Board wishes to announce that the Company had on 11 October 2022 entered into a shareholders' agreement (the "**SHA**") with UPC to govern the respective rights and obligations, and regulate the parties' relationships in the conduct of the business and related affairs of WEC.

2. SALIENT TERMS OF THE SHA

2.1 Management of WEC

The Board of WEC shall consist of three directors. Upon UPC having at least 14% shareholding in WEC, it shall be entitled to appoint one Director while the Company shall have the right to appoint two Director and the Chief Executive Officer to manage WEC.

Upon UPC having at least 70% shareholding in WEC, it shall be entitled to appoint two Director and the Chief Executive Officer to manage WEC, and the right to change the bank signatories of WEC while the Company shall have the right to appoint one Director who shall be the chairman of the Board of WEC.

2.2 Call and Put options

Pursuant to the SHA, the Company has granted UPC:

(i) the right to acquire from the Company 15,387,006 shares in WEC representing 56% of the issued and paid up share capital of WEC for the consideration of USD8.4 million (calculated based on the Disposal for USD2.1 million) ("**Call Option 1**"); and

(ii) the right to acquire from the Company 8,243,040 shares in WEC representing 30% of the issued and paid up share capital of WEC for the consideration of USD5.4 million (calculated based on 30% of the sum of WEC's FY2022 Price-to-Earnings Ratio of USD1 million and its stock of USD10 million) ("**Call Option 2**"),

(collectively the "**Call Options**").

Meanwhile, UPC has granted the Company:

(i) the right to sell to UPC 15,387,006 shares in WEC representing 56% of the issued and paid up share capital of WEC for the consideration of USD8.4 million (calculated based on the Disposal for USD2.1 million) ("**Put Option 1**");

(ii) the right to sell to UPC 8,243,040 shares in WEC representing 30% of the issued and paid up share capital of WEC for the consideration of USD5.4 million (calculated based on 30% of the sum of WEC's FY2022 Price-to-Earnings Ratio of USD1 million and its stock of USD10 million) ("**Put Option 2**"),

(collectively the "**Put Options**"); and

(iii) the right to acquire from UPC the 19,233,757 shares in WEC representing 70% of the issued and paid up share capital of WEC for the consideration of USD10.5 million (calculated based on the consideration of Disposal and Call Option 1) ("B**uyback Option**").

2.3 Corporate guarantee

UPC shall assume or indemnify and hold harmless all corporate guarantees previously made by the Company and/or its Affiliates in relation to WEC on a *pro rata* basis.

3. FINANCIAL EFFECTS

3.1 Bases and Assumptions

The pro forma financial effects of the exercise of the Call Options have been prepared based on:

(a) the audited consolidated financial statements for the Group for FY2022,

and are purely for illustrative purposes only and do not reflect the future actual financial position of the Group following completion of various transactions.

The pro forma financial effects have also been based on, inter alia, the following assumptions:

(a) The exercise of the Call Options had been effected on 31 March 2022, being the end of the most recently completed financial year of the Group and of which the statement of financial position of the Group has been publicly announced, for illustrating the financial effects of the consolidated NTA of the Group;

(b) The exercise of the Call Options had been effected on 1 April 2021, being the beginning of the most recently completed financial year of the Group and of which the profit and loss of the Group has been publicly announced, for illustrating the financial effects of the consolidated earnings of the Group; and

(c) assuming a sale consideration of US$13.8 million (equivalent to approximately S$18.7 million)

3.2 NTA

For illustrative purposes only, assuming that the exercise of the Call Options or Put Options had been completed on 31 March 2022, the pro forma financial effects on the NTA of the Group are as follows:

	Before the Call / Put Options	**After Call / Put Option 1**	**After Call / Put Option 1 and 2**
Consolidated NTA attributable to shareholders of the Company (S$'000)	34,597	26,530	23,423
Weighted Average Number of Shares ('000)	291,835	291,835	291,835
NTA per Share (S$ cents)	11.85	9.09	8.03

3.3 Earnings per share

For illustrative purposes only and assuming that the exercise of the Call Options or Put Options had been completed on 1 April 2021, the pro forma financial effects on the earnings of the Group are as follows:

	Before the Call / Put Options	**After Call / Put Option 1**	**After Call / Put Option 1 and 2**
Loss for the period attributable to equity holders of the Company (S$'000)	3,673	3,673	3,673
Weighted average number of issued share ('000)	291,835	291,835	291,835
Loss per share (S$ cents)	1.26	1.26	1.26

4. DISCLOSURE UNDER CHAPTER 10 OF THE LISTING MANUAL

4.1 Pursuant to Rule 1005 of the Listing Manual, in determining the classification of a transaction under Rule 1004 of the Listing Manual, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction. The aggregate relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Call Options are as follows:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value[(1)] (S$'000)	59.99%
Rule 1006(b)	net profits[(2)] attributable to the assets acquired or disposed of, compared with the group's net loss	(7.97%)
Rule 1006(c)	aggregate value of the Consideration compared with the Company's market capitalization[(3)] of S$8,487,109	219.51%

Rule 1006(d)	number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable
Rule 1006(e)	aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable

Notes:-

(1) based on the Group's latest announced consolidated results.

(2) based on the Group's latest announced consolidated results.

(3) "market capitalisation" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average market price of S$0.034 of the Company's shares as at 11 October 2022, being the market day immediately preceding the date of the SHA, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately S$8,487,109.

Under Rule 1014 of the Catalist Rule, if any of the relative figures computed on the bases set out in Rule 1006 exceeds fifty per cent (50%), the transaction is classified as a major transaction that must be made conditional upon approval by Shareholders in general meeting.

As the relative figures for the Call Options as computed on the bases set out in Rule 1006(a) and Rule 1006(c) exceed 50%, the exercise of the Call Options or Put Options (if indeed exercised) will be classified as a major transaction under Chapter 10 of the Catalist Rule. The Company will seek Shareholders' approval for the major transaction in due course.

5. RULE 1018(1) and RULE 1018(2) OF THE LISTING MANUAL

Under Rule 1018(1) of the Listing Manual, the grant of an option which is not exercisable at the discretion of the issuer is required to be approved by its shareholders at the time of the grant of the option.

Pursuant to the SHA, the exercise of the Call Option 1 and Call option 2 is not at the discretion of the Company as UPC may exercise the respective Call Option 1 and Call Option 2 in accordance with the terms of the SHA without the consent of the Company. Accordingly, pursuant to Rule 1018(1) of the Listing Manual, the grant of the Call Option 1 and Call Option 2 by the Company in favour of UPC is required to be approved by the Shareholders.

Under Rule 1018(2) of the Listing Manual, shareholder approval must be obtained at the time of the grant of the option if the grant of the option is exercisable at the discretion of the issuer and the exercise terms are fixed at the time of the grant.

Pursuant to the Shareholders' Agreement, the exercise of the Put Option 1, Put Option 2 and Buyback Option is at the discretion of the Company in accordance with the terms of the SHA. Accordingly, pursuant to Rule 1018(2) of the Listing Manual, the approval by the Shareholders is required at the time of the grant.

The approval of the Call Options, Put Options and Buyback Option by the Shareholders is a condition precedent to the SHA and the subsequent completion of the Disposal.

6. CIRCULAR TO SHAREHOLDERS

As the Call Options, Put Options and Buyback Option is subject to Shareholders' approval being obtained, the circular to the Shareholders containing, among others, information on the Call Options, Put Options and Buyback Option will be despatched to Shareholders in due course.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, save for their shareholdings in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the SHA.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that 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 this 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SHA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96, Singapore 408564 for three (3) months from the date of this announcement.

10. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Conditions Precedent will be fulfilled.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock broker, bank managers, solicitors or other professional advisers if they have any doubt the actions they should take.

BY ORDER OF THE BOARD

Dato' Terence Tea Yeok Kian
Executive Chairman and Chief Executive Officer
12 October 2022

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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