

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

ACQUISITION OF COMPANIES

Unless otherwise specified herein or where the context otherwise requires, capitalized terms used in this announcement shall have the same meaning as used in the Sale and Purchase Agreement entered into between the Company and the Vendors dated 12 December 2017.

1. Introduction

The Board of Directors (“the **Board**”) of Jubilee Industries Holdings Ltd. (the “**Company**” or “**Purchaser**”, where applicable) wishes to announce that the Company had, on 12 December 2017, entered into a Sale and Purchase Agreement (the “**SPA**” or “**Agreement**”, where applicable) with each of Mr. Wong Liang Tong, Mr. Wong Liang Yeo and Mr. Koh Cheng Poh (collectively the “**Vendors**”, each a “**Vendor**”), pursuant to which the Company had purchased 70% of the issued and paid up share capital of Honfoong Plastic Industries Pte. Ltd. (the “**Target Company**”) (the “**Sale Shares**”) for a consideration of S\$3,500,000 on the terms and subject to the conditions of the SPA (the “**Acquisition**”).

The Acquisition constitutes a major transaction under Chapter 10 of the Listing Manual of Singapore Exchange Securities Trading Limited (the “**SGX-ST**”, and the Listing Manual of the SGX-ST, the “**Listing Manual**”).

Save as disclosed in this announcement, the Company confirms, to the best of their knowledge, that the directors or substantial/controller shareholder/(s) of the Company, do not have any connection (including business relationships) with the Vendors.

2. Background Information of the Target Company

The Target Company is a company incorporated in Singapore on 26 November 1979 with its registered address at 5 Ang Mo Kio Industrial Park 2A, #01-13 AMK Tech II, Singapore 567760. HPI is principally engaged in the manufacture of plastic moulding, PCB assembly, tooling finishing and plastic precision engineering parts. The Target Company currently holds 99.98% of the shares of its subsidiary, PT Honfoong Plastic Industries (“**PT Honfoong**”). PT Honfoong is principally engaged in the provision of plastic injection moulding components, tool design, fabrication, moulding, printing, painting, sub-assembly and box build project. The Target Company and PT Honfoong shall collectively be known as the “**Target Group**”.

Based on the consolidated management accounts of the Target Group for the period commencing 1 January 2017 and ending 30 September 2017, the Target Group’s net tangible asset was S\$2,378,009 and it recorded a net profit before tax of S\$1,047,197.

The Vendors are the beneficial owners of the Target Group. They are also currently involved in the management of the business of the Target Group. The Vendors will continue to manage the business of the Target Group post completion.

The breakdown of shareholding of the Target Company pre and post-completion is as

follows:-

Name of Shareholder	Pre-Completion		Post-Completion	
	No. of Shares	Percentage (%)	No. of Shares	Percentage (%)
Wong Liang Tong	1,500,000	75	450,000	22.5
Wong Liang Yeo	300,000	15	90,000	4.5
Koh Cheng Poh	200,000	10	60,000	3
Jubilee Industries Holdings Ltd.	0	0	1,400,000	70
Total	2,000,000	100	2,000,000	100

3. Principal Terms of the SPA

The principal terms of the SPA are as follows:-

Consideration: The consideration for the purchase of the Sale Shares, arrived at on a willing seller willing buyer basis and based on the net tangible assets of the Target Group, shall be an aggregate consideration of Singapore Dollars Three Million Five Hundred Thousand Only (S\$3,500,000) ("**Purchase Price**"). The Purchase Price shall be paid by the Purchaser by way of a) cash amounting to Singapore Dollars One Million (S\$1,000,000) ("**Cash Consideration**"); and b) an allotment of 55,555,555 ordinary shares in the Purchaser at an issue price of \$0.045, being a premium of 9.76% to the closing share price quoted by the SGX-ST for the trading day immediately preceding the date of this Agreement, amounting to Singapore Dollars Two Million Five Hundred Thousand Only (S\$2,500,000) ("**Consideration Shares**"). The Consideration Shares shall be issued to the Vendors by the Purchaser on the Completion Date. The Cash Consideration shall be paid three (3) months after the Completion Date (or any such later date as the Purchaser and the Vendors may agree in writing).

The Cash Consideration and the Consideration Shares shall be issued to the Vendors in the proportion set out below:-

Name of Vendor	Cash Consideration	Consideration Shares	
		No. of Shares	Percentage (%)
Wong Liang Tong	S\$750,000	41,666,666	75
Wong Liang Yeo	S\$150,000	8,333,333	15
Koh Cheng Poh	S\$100,000	5,555,555	10
Total	1,000,000	55,555,555	100

The Cash Consideration shall be paid using the Company's internal working capital.

- (a) **Moratorium:** The Vendors shall only be entitled to realize, transfer or otherwise dispose of or mortgage, pledge, charge, or otherwise create a lien or an encumbrance in respect of any of their direct or indirect interest in any of the Consideration Shares from the first (1st) anniversary of the Completion Date.
- (b) **Conditions:** Completion is conditional on the fulfillment of the Conditions on or before the Long Stop Date. The Vendors may, at their sole and absolute discretion (and subject to such conditions as it may impose), waive compliance with paragraph (b) of Schedule 2 (in so far as it relates to any Purchaser Warranties) and the Purchaser may, at its sole and absolute discretion (and subject to such conditions as it may impose), waive compliance with paragraph (a) of Schedule 2 of the SPA (in so far as it relates to any Vendors Warranties). In the event that any of the Conditions has not been fulfilled (or waived pursuant to Clause 4.2 of the SPA) prior to the Long Stop Date, this Agreement (other than the Surviving Provisions) shall automatically terminate and neither Party shall have any claim hereunder against the other Party (save in respect of claims arising out of any antecedent breach of this Agreement). The Parties agree that all requests and enquiries from any Governmental Authority shall be dealt with by the Parties in consultation with each other and the Parties shall promptly cooperate with and provide all necessary information and assistance as may be reasonably required by any Governmental Authority.
- (c) **Pre-Completion Obligations:** As from the date of this Agreement until Completion, the Vendors undertake to the Purchaser that, subject to applicable laws and regulations, the Vendors shall procure the performance and observance of those matters listed in Schedule 3. If prior to Completion, any event shall occur which results or which could reasonably be expected to result in a breach by the Vendors of any of their obligations under Clause 5.1, the Vendors, upon becoming aware of the same, shall promptly notify the Purchaser in writing thereof.
- (d) **Completion:** Completion shall take place seven (7) calendar days after the satisfaction or waiver of the Conditions or such other date as may be mutually agreed to by the Parties. Completion shall take place at the office of the Purchaser's Solicitors or such other place as may be determined by the Parties when all (but not some only) of the events detailed in Clauses 6.3 and 6.4 shall occur. At Completion, against fulfilment of the Purchaser's obligations in part 2 of Schedule 4, the Vendors shall do or deliver (or cause to be delivered) to the Purchaser the matters or items listed in part 1 of Schedule 4. At Completion, against fulfilment of the Vendors' obligations in part 1 of Schedule 4, the Purchaser shall do or deliver (or cause to be delivered) to the Vendors the matters or items listed in part 2 of Schedule 4.
- (e) **Indemnification:** The Vendors hereby jointly and severally undertake to keep the Purchaser fully and effectively indemnified against any and all losses, claims, damages, costs and liabilities of any nature whatsoever that the Purchaser reasonably incurs or reasonably suffers in connection with or arising from any breach of any Vendor Warranty and/or the terms of this Agreement. Any liability to the Purchaser hereunder may in whole or in part be released, compounded or compromised or time or indulgence given by the Purchaser in its absolute discretion without in any way prejudicing or affecting its rights against the Vendors. Any release or waiver or compromises shall be in writing and shall not be deemed to be a release, waiver or

compromise of similar conditions in future. The Purchaser hereby undertakes to keep the Vendors fully and effectively indemnified against any and all losses, claims, damages, costs and liabilities of any nature whatsoever that the Vendors may reasonably incur or may reasonably suffer in connection with or arising from any breach of any of the Purchaser Warranties and/or the terms of this Agreement. Any liability to the Vendors hereunder may in whole or in part be released, compounded or compromised or time or indulgence given by the Vendors in its absolute discretion without in any way prejudicing or affecting its rights against the Purchaser. Any release or waiver or compromises shall be in writing and shall not be deemed to be a release, waiver or compromise of similar conditions in future.

- (f) **Assignability:** Neither Party may assign or transfer all or any of its rights or obligations under this Agreement or dispose of any right or interest in this Agreement without the prior written consent of the other Party.
- (g) **Governing Law:** The construction, validity and performance of this Agreement shall be governed by the laws of Singapore.

4. Conditions Precedent of the SPA

The obligations of the Company to purchase the Sale Shares from the Vendors are subject to the fulfillment of conditions precedent including, but not limited to, the following:

- (a) the FY2016 Audited Consolidated Accounts and Management Accounts prepared in accordance with the Singapore Financial Reporting Standards (as determined by the Purchaser in its sole discretion), and being ready and available on or before the date of this Agreement;
- (b) all the Warranties being true, accurate and not misleading as at Completion;
- (c) the Vendors having performed or complied with all its obligations and undertakings in Clause 5 and Schedule 3 except for such non-performance or non-compliance that would not result in a Material Adverse Change;
- (d) the Purchaser obtaining all relevant corporate and governmental and regulatory approvals for the purchase of the Sale Shares in accordance with the terms and conditions of this Agreement and the transactions contemplated under this Agreement, including without limitation, the Shareholders' Approval. For the avoidance of doubt, any such approvals, as and when obtained, shall not be revoked or amended, and wherein such approvals are conditional upon the satisfaction of any conditions therein, such conditions being satisfied and/or waived in full on or before the Completion Date by the relevant corporate and governmental and/or regulatory body;
- (e) the results of the financial, operational and legal due diligence on the Target Group being satisfactory to the absolute discretion of the Purchaser;
- (f) the listing and quotation notice for the issuance and allotment of the Consideration Shares (the "**Listing and Quotation Notice**") having been obtained and not being revoked or amended;
- (g) any conditions attached to the Listing and Quotation Notice which is required to be

fulfilled on or before the Completion Date having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST; and

- (h) the execution of a shareholders' agreement between the Vendors and the Purchaser, with the terms and conditions acceptable to all Parties.

If either Party fails to comply with the terms of this Clause 6, the non-defaulting Party shall be entitled by written notice to the other Party (without prejudice to any other rights or remedies available against the defaulting Party) to elect to:

- (i) defer Completion to a Business Day which is not more than ten (10) Business Days after the Completion Date, but which is no later than the Long Stop Date in which case the provisions of this Clause 6 shall apply to Completion as so deferred;
- (ii) waive all or any of the items listed in Schedule 4 at its sole and absolute discretion and to effect Completion so far as practicable having regard to the defaults which have occurred; or
- (iii) terminate this Agreement (other than the Surviving Provisions) without liability on its part, in which event each Party's further rights and obligations cease immediately on termination (other than under the Surviving Provisions), but termination does not affect a Party's accrued rights and obligations at the date of termination.

5. Rationale for the Acquisition

The Acquisition is in line with the Company's intention to expand and strengthen its current tooling and moulding business and to broaden the Group's revenue stream. Through the Acquisition, the Company hopes to leverage on the potential the Target Group present. There is also synergy between the Company and the Target Group as both parties engage in the same business.

6. Application for Listing and Quotation of Consideration Shares

An application will be made to the SGX-ST in due course for the Consideration Shares to be admitted to Catalist and be listed for quotation on the SGX-ST. The Company will make the necessary announcement(s) once the listing and quotation notice for the Consideration Shares has been obtained from the SGX-ST. The Listing and Quotation Notice, if given, shall not be construed as an indication of the merits of the Company's shares, the Acquisition and the Consideration Shares or the Company.

7. Disclosure under Chapter 10 of the Listing Manual

(A) Rule 1006 of the Listing Manual

Chapter 10 of the Listing Manual classifies transactions by the Company into (i) non-discloseable transactions, (ii) discloseable transactions, (iii) major transactions and (iv) very substantial acquisitions or reverse takeovers, depending on the size of the relative figures computed on, inter alia, the following bases:

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value	Not applicable to acquisition of assets
Rule 1006(b)	net profits ⁽¹⁾ attributable to the assets acquired or disposed of, compared with the group's net profits	98.08%
Rule 1006(c)	aggregate value of the consideration of S\$3,500,000, compared with the Company's market capitalization ⁽²⁾ of approximately S\$27,575,000 based on the total number of issued shares excluding treasury shares	12.69%
Rule 1006(d)	number of equity securities issued by the Company of 55,555,555 as consideration for the Acquisition, compared with the number of equity securities previously in issue of 672,550,913	8.26%
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 to acquisition of assets

Based on the size of the relative figures computed according to Rule 1006, the Acquisition is classified as a major transaction. Ordinarily, the Acquisition must be made conditional upon approval by shareholders in a general meeting in accordance with Rule 1014(2). However, as the Acquisition falls under the exception of Rule 1014(2), being a case of an acquisition of profitable assets where the only limit breached is Rule 1006(b), Rule 1014(2) does not apply.

Notes:-

- (1) based on the Group's latest announced consolidated accounts and before income tax, minority interests and extraordinary items.
- (2) "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\$0.041 of the Company's shares as at 11 December 2017, being the market day immediately preceding the date of the SPA, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately.

8. Financial Effects of the Acquisition

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Acquisition on the net tangible assets per share and earnings per share of the Company based on the latest audited consolidated financial results for the financial year ending 31 March 2017 ("FY2017"). The financial effects set out below are on the following bases and assumptions:

- (a) the financial impact on the net tangible assets ("NTA") per share is computed based on the assumption that the Acquisition had been effected at the end of FY2017; and
- (b) the financial impact on the earnings per share is computed based on the assumption that the Acquisition had been effected at the beginning of FY2017.

Share Capital

	The Group	
	As at 31 March 2017	After the Issuance of shares to the Vendors
Share Capital (S\$)	48,975,418	62,605,706
Number of issued and paid-up Shares	348,226,617	728,106,469

NTA

	As at 31 March 2017	After the Acquisition
Consolidated NTA attributable to shareholders of the Company ('000)	12,835	15,335
Weighted Average Number of Shares ('000)	346,840	740,402
NTA per Share (S\$ cents)	3.70	2.07

Earnings per share

	As at 1 April 2016	After the Acquisition
Net loss for the period as at FY2017 (S\$'000)	(7,482)	(7,482)
Weighted average number of issued share	346,840	740,402
Earnings per share (S\$ cents)	(2.16)	(1.01)

Gearing

	As at 31 March 2017	After the Acquisition
Total Borrowings (S\$'000)	11,363	11,363
Shareholders' Funds	12,835	15,335
Gearing Ratio	0.89	0.74

9. Applicability of Chapter 8 of the Listing Manual

Rule 805(1) of the Listing Manual stipulates that an issuer must obtain prior approval of its shareholders in general meeting for an issue shares or convertible securities or the grant of options carrying rights to subscribe for shares of the issuer, except where the shares are issued pursuant to a general mandate obtained from the shareholders in a general meeting.

Pursuant to the SPA, 55,555,555 Consideration Shares will be issued by the Company to the Vendors. The Consideration Shares represent (i) approximately 8.26% of the existing issued and paid-up share capital of the Company as at the date of this announcement and (ii) approximately 10.84% of the enlarged issued and paid-up share capital of the Company after the issue of the Consideration Shares.

As the general mandate obtained at the annual general meeting of the Company held on 28 July 2017 has been fully utilised for the Company's Rights cum Warrants Issue announced on 11 October 2017, the Acquisition shall be subject to Shareholders' approval.

The Company will be seeking Shareholders' specific approval for the issuance and allotment of the Consideration Shares. A circular containing the notice of the general meeting to be convened shall be despatched to Shareholders in due course.

10. Interests of Directors and Substantial Shareholders

None of the Directors and Substantial and/or Controlling Shareholder/(s) of the Company has any interest, direct or indirect, in the Acquisition.

11. EGM and Circular to Shareholders

The Company will seek the approval of the Shareholders for the issuance and allotment of Consideration Shares, as elaborated in paragraph 9 above, in an EGM to be convened and a circular containing, inter alia, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of the EGM in connection therewith, will be dispatched to the Shareholders in due course.

12. 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.

13. Service Contract

No director will be appointed by the Company in connection with the Acquisition.

14. Documents Available For Inspection

A copy of the Sale and Purchase Agreement 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.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Non-Executive Chairman
12 December 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 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.

The contact person for the Sponsor is:-

*Name: Mr Nathaniel C.V., Registered Professional, RHT Capital Pte. Ltd.
Address: 9 Raffles Place #29-01, Republic Plaza Tower 1 Singapore 048619
Tel: 6381 6757*