

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

**SALE AND PURCHASE AGREEMENT FOR THE SALE OF SHARES IN
WE COMPONENTS PTE. LTD. AND LAPSE OF MEMORANDUM OF
UNDERSTANDING DATED 26 NOVEMBER 2021 BETWEEN JUBILEE
INDUSTRIES HOLDING LTD AND 杭州宇晔科技有限公司**

1. INTRODUCTION

Reference is made to the announcement released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 27 November 2021, in relation to the non-binding memorandum of understanding (“**MOU**”) between Jubilee Industries Holdings Ltd (the “**Company**”) and together with its subsidiaries, the “**Group**”) and 杭州宇晔科技有限公司 in relation to a disposal of the Company’s 100% shareholding interest in We Components Pte. Ltd (“**WEC**”).

The Board of Directors (the “**Board**”) of the Company wishes to update that a) the MOU has lapsed and the parties have no intention to proceed with the transaction; and b) the Company and UPC Electronics Pte Limited, have on 21 June 2022 entered into a Sale and Purchase Agreement (the “**SPA**”) for the sale of the Company’s 14% shareholdings consisting of 3,846,751 ordinary shares (“**Sale Shares**”) in WEC (“**Disposal**”).

All the terms used herein shall bear the same meaning as defined in the SPA.

2. INFORMATION ON THE PURCHASER

The information on the Purchaser provided below was provided by the Purchaser. The Board has not conducted an independent review or verification of the accuracy of the statements and information below. The Company’s responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

- 2.1. The Purchaser is incorporated in Hong Kong. The main business of the Purchaser is the promotion and distribution of products and solutions of semiconductor manufacturers in the People’s Republic of China and overseas. The Purchaser is an independent third-party who is unrelated to the Company, its directors and controlling shareholders, or their associates.

3. INFORMATION ON WEC

WEC (UEN: 199707469R), is a private company incorporated in Singapore and its principal business includes the wholesale distribution of electronic parts and electronic communications equipment.

WEC owns the following wholly-owned subsidiaries, all of which have the principal business of trading in electronic components:

- (a) WE Microelectronics Pte. Ltd., a company incorporated in Singapore;
- (b) WE Components (Penang) Sdn. Bhd., a company incorporated in Malaysia;
- (c) WE Components (Shanghai) Co. Ltd., a company incorporated in the People's Republic of China;
- (d) WE Components (Shenzhen) Co. Ltd., a company incorporated in the People's Republic of China, which as of the date of this announcement, is dormant;
- (e) WE Components (Hong Kong) Limited, a company incorporated in Hong Kong;
- (f) WE Components India Pvt. Ltd., a company incorporated in India;
- (g) WE Components Co. Ltd, a company incorporated in Thailand; and
- (h) Kin Wai Technology Ltd, a company incorporated in the People's Republic of China, which as of the date of this announcement, is dormant.

4. CONSIDERATIONS

The aggregate consideration is USD2,100,000.00 (equivalent to approximately S\$2,835,000 based on the exchange rate of USD1:S\$1.35 as at March 2022) in cash payable on completion (the "**Consideration**"). The Consideration was arrived at on a willing-buyer willing-seller basis, taking into account the current market condition of the electronic component industry and the net asset value attributed to the Sale Shares. The Consideration shall be (or has been) satisfied in the following manner:

- a) The deposit payment of USD 1,500,000 ("**Deposit**") has been paid by the Purchaser, and duly received by the Seller in full. The deposit was initially received on 28 February 2022 from the Purchaser under a distribution agreement which has since been terminated. The Seller has retained the said sum after the termination of the aforementioned distribution agreement which forms the Deposit for the SPA;
- b) The second payment of a sum of USD 600,000.00 shall be paid by the Purchaser to the Seller in five Business Days after the execution of the SPA.

The Parties agree that the Sale and Purchase shall not include the Properties which has an approximate value of SGD 7,300,000.00 (including the related mortgage loan of approximately SGD 1,000,000.00), and which shall at all times beneficially owned by Accrelist Ltd¹. Since the Properties are held in trust by WEC for Accrelist, the Properties shall be transferred to Accrelist at nominal consideration after the Completion Date where practicable.

5. COMPLETION PRECEDENT

5.1. Completion of the SPA is conditional upon the following conditions (the "**Conditions Precedent**") having been satisfied by the Seller or the Purchaser (as the case may be) or waived in writing by the relevant Party on or before the Completion Date:

- (a) the Purchaser shall in all respects be reasonably satisfied with the results of its due diligence on the Company;

¹ Please refer to the announcements released to the SGX-ST on 18 July 2014, 8 October 2014, 5 November 2014, 21 November 2014, 15 January 2015 and 2 February 2015.

- (b) the Seller shall have delivered to the Purchaser, its signed confirmation that it has received the Deposit Payment from the Purchaser in full and that any Deposit payment obligations under this Agreement have been fully discharged by the Purchaser;
- (c) there having been no material breach of any of the Warranties set out in the SPA and on the Completion Date the Company having obtained all necessary and relevant approvals for all transactions under the SPA;
- (d) the nomination by the Purchaser of one director to be appointed to the board of directors of WEC;
- (e) the approval from the board of directors, and the shareholders of the Company being obtained for the transactions described in the SPA at a general meeting of such shareholders²;
- (f) the execution of the shareholders' agreement by the Parties;
- (g) the execution and performance of the SPA by the Parties not being prohibited or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority; and
- (h) that each of the representations and warranties of each Party under the SPA shall remain true and not misleading in all material respects at the Completion Date and at all times between the date of the SPA and the Completion Date.

5.2. The Seller and Purchaser shall take all steps necessary to satisfy the Conditions Precedent promptly and, shall notify each other in writing promptly upon becoming aware that any of the Conditions Precedent have been satisfied. If at any time a Party becomes aware of any event, circumstance, fact or condition that would be reasonably likely to prevent any of the Conditions Precedent being satisfied or of any breach of this Agreement, that Party shall forthwith inform the other Party in writing.

6. COMPLETION DATE

The date of completion for the SPA is shall be the second Business Day after the Conditions Precedent are fulfilled, or such other date as mutually agreed between the Parties. Without prejudice to any other remedies available to any of the Parties, if in any requirements are not complied with by any of the Parties on the Completion Date (unless waived in writing by the relevant Party), the non-defaulting Party may a) defer Completion to a Business Day which is not more than ten (10) Business Days after the Completion Date; or b) where possible, proceed to Completion as far as practicable on the basis that the relevant Party's obligation in respect of the deliverable(s) which may not have been complied with shall be held over to such future dates as may be agreed between the Parties; or c) terminate the SPA without liability on its part, in which event each Party's further rights and obligations cease immediately on termination, but termination does not affect a Party's accrued rights and obligations at the date of termination.

² Based on the calculation in Para 8, there is no need for the Company to obtain the shareholders' approval.

7. FINANCIAL EFFECTS OF THE DISPOSAL

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Disposal on the net tangible assets per share and earnings per share of the Company based on the latest consolidated financial results for the financial year ending 31 March 2022 (“FY2022”). The financial effects set out below are on the following bases and assumptions:

- (a) the financial impact on the net tangible assets per share is computed based on the assumption that the Disposal had been effected at the end of FY2022; and
- (b) the financial impact on the earnings per share is computed based on the assumption that the Disposal had been effected at the beginning of FY2022.

Share Capital

	The Group	
	As at 31 March 2022	After the Disposal
Share Capital (S\$ '000)	77,474	77,474
Number of issued and paid-up Shares ('000)	317,757	317,757

Net Tangible Assets (“NTA”) per share

	Before the Disposal	After the Disposal
Consolidated NTA attributable to shareholders of the Company (“Shareholders”) (S\$'000)	34,597	37,432
Weighted Average Number of Shares ('000)	291,835	291,835
NTA per Share (S\$ cents)	11.85	12.83

Earnings per share

	Before the Disposal	After the Disposal
Loss for the period attributable to equity holders of the Company (S\$'000)	3,673	3,673

Weighted average number of issued share ('000)	291,835	291,835
Loss per share (S\$ cents)	1.26	1.26

Gearing

	Before the Disposal	After the Disposal
Total Borrowings (S\$'000)	9,126	9,126
Shareholders' Funds	34,597	37,432
Gearing Ratio	0.26	0.24

8. DISCLOSURE UNDER CHAPTER 10 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 ⁽¹⁾ (S\$'000)	4,852
Rule 1006(b)	net profits ⁽²⁾ attributable to the assets acquired or disposed of, compared with the group's net loss	1.30%
Rule 1006(c)	aggregate value of the Consideration compared with the Company's market capitalization ⁽³⁾ of S\$18,545,905	15.29%
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\$0.059 of the Company’s shares as at 20th June, 2022, 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 S\$ 18,545,905

Catalist Rule 1007(1) states, inter alia, that if any of the relative figures computed pursuant to Catalist Rule 1006 involves a negative figure, Chapter 10 of the Catalist Rules may still be applicable to the transaction in accordance with the applicable circumstances. Having considered paragraph 4.4(d) of Practice Note 10A of the Catalist Rules, none of the absolute relative figures of Catalist Rule 1006(a) and 1006(c) exceeds 50%. In addition, the net loss attributable to the Group in absolute figure does not exceed 10% of the consolidated net profit of the Group for the full year ended 31 March 2022. Hence, the Disposal is classified as a discloseable transaction under the Catalist Rules and is not subject to the approval of the shareholders.

9. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

The Disposal will allow the Group to capitalise on growth opportunities, unlock the value of the assets in the Target and re-strategise its financial and capital resources. With the net proceeds, the Group will have more working capital to fund and expand its business and undertake projects and opportunities that may arise in the future, which could in turn increase the Group’s revenue. The Company intends to utilise the entirety of the proceeds of the Disposal for general working capital purposes for the aforementioned reasons.

10. FURTHER ANNOUNCEMENTS

The Company will make an announcement disclosing further details of the Disposal and will make appropriate update announcement(s) on the Disposal at the relevant time.

11. 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 Disposal.

12. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

13. COMMISSION

Pursuant to a Consultancy Agreement entered into between the Company and One World Business Advisory Pte Ltd (“**Consultant**”) dated 1 April 2022, the Company agrees that in the event the Consultant successfully arranges any investment/acquisition, the Company shall pay a cash amount in Singapore Dollars equivalent to 3% of the value of such agreed cash, equity or hybrid investment/acquisition.

14. 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.

15. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA 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.

16. 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
21 June 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.

The details of the contact person for the Sponsor are:-

Name : Mr Jerry Chua (Registered Professional, Evolve Capital Advisory Private Limited)
Address : 138 Robinson Road, Oxley Tower, #13-02, Singapore 068906
Tel : (65) 6241 6626