

**JES INTERNATIONAL HOLDINGS LTD
(UNDER JUDICIAL MANAGEMENT)**

(UEN: 200604831K)

(the “**Company**”)

**EXTENSION OF JUDICIAL MANAGEMENT ORDER
AND ENTRY INTO IMPLEMENTATION AGREEMENT FOR
THE PROPOSED TRANSFER OF LISTING STATUS ON THE SGX-ST**

EXTENSION OF JUDICIAL MANAGEMENT ORDER

The Company refers to its announcements on 21 March 2019, 11 September 2019, 17 March 2020 and 16 December 2020 regarding the appointment of Yit Chee Wah of FTI Consulting (Singapore) Pte Ltd as the Judicial Manager of the Company (the “**Judicial Manager**”), as well as the first, second and third extensions of the said order, respectively.

Pursuant to an application filed by the Company, the Singapore High Court has, on 15 June 2021, granted the Judicial Manager an order extending the period for which the Judicial Management order remains in force for an additional period of 6 months until 16 December 2021.

ENTRY INTO IMPLEMENTATION AGREEMENT FOR THE PROPOSED TRANSFER OF LISTING STATUS ON SGX-ST

1. INTRODUCTION

- 1.1 The Judicial Manager also wishes to announce that the Company has entered into an Implementation Agreement (the “**Agreement**”) with Charaku Pte. Ltd. (the “**Transferee**”, together with the Company, the “**Parties**” and each a “**Party**”) on 14 June 2021. Further information on the Transferee can be found in Paragraph 4 hereto in this Announcement.
- 1.2 The Agreement sets out the terms for the proposed transfer of the Company’s listing status (the “**Transfer**”) on the Mainboard of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) to a company to be incorporated by the Transferee as the vehicle for the purposes of the Listing (the “**Transferee SPV**”) by way of a scheme of arrangement to be undertaken pursuant to the relevant Singapore laws (the “**Scheme**”). The terms of the Transfer and the Scheme are elaborated further below.
- 1.3 The Company is presently under judicial management and its shares (the “**Shares**”) are suspended from trading. The Company’s only realisable asset is its listing status on SGX-ST. The Transfer, if successful, seeks to provide some recovery to the shareholders (the “**Shareholders**”) and creditors of the Company (the “**Creditors**”).

2. PROPOSED TRANSFER OF LISTING STATUS

- 2.1 In connection with the Transfer, the Transferee SPV will seek an admission to and the listing and quotation of its shares on Catalist, the sponsor-supervised board of the SGX-

ST (the “**Listing**”). The Company’s Shares will, in conjunction with the Transfer and the Listing, be delisted and withdrawn from the Mainboard of the SGX-ST.

- 2.2 Apart from the payment of two non-refundable earnest fees, in the aggregate amount of S\$50,000, the consideration payable by the Transferee to the Company for the Transfer (the “**Consideration**”) is S\$5,000,000 and will be satisfied by the allotment and issue of new shares in the capital of the Transferee SPV (the “**Consideration Shares**”) to the Judicial Manager and Scheme Administrator for, *inter alia*, distribution to Creditors and Shareholders in accordance with the terms of the Scheme.
- 2.3 In addition, the Transferee shall allot and issue new shares in the capital of the Transferee SPV in the amount of S\$1,000,000 in satisfaction of the professional fees incurred by the Judicial Manager or Scheme Administrator as well as their respective legal advisors and Independent Financial Advisors (the “**Professional Shares**”).
- 2.4 Upon completion of the Transfer (and, if necessary, the compliance placement of new shares to constitute the requisite public float) and subject to the relevant approval being granted from the SGX-ST for, *inter alia*, the listing of the Consideration Shares and the Professional Shares (together with other shares issued out of the capital of the Transferee SPV), the shares of the Transferee SPV will be listed on Catalist and shall be freely tradable.

3. **FURTHER INFORMATION IN RELATION TO THE AGREEMENT AND THE TRANSFER**

- 3.1 Parties’ Obligations: The Agreement requires each Party to perform various obligations. The Company is principally required to (i) prepare the issuance of the Scheme Documents (as defined below) to Shareholders and Creditors setting out salient information on the proposed Transfer by way of a Scheme; (ii) use its best endeavours to procure written irrevocable undertaking(s) from certain Shareholders and Creditors to vote in favour of the Scheme. The Transferee is principally required to prepare, finalise and procure the issuance of an information memorandum of the Transferee SPV for the purposes of the Listing (the “**Information Memorandum**”), and procure the submission of a pre-admission notification to the SGX-ST in respect of the intended Listing.
- 3.2 Conditions Precedent: Completion of the Transfer is subject to various conditions precedent, including but not limited to, (i) the Judicial Management order remaining in full force and effect; (ii) the in-principle approval(s) of the SGX-ST for the Transfer and the Listing; (iii) the in-principle approval of the Transferee’s eligibility to list on the Catalist of SGX-ST; (iv) such ruling(s), confirmation(s) and/or waiver(s) to be obtained from the Securities Industry Council of Singapore; (v) the approvals of the Scheme by the Shareholders and Creditors in compliance with the requirements of the Companies Act (Cap. 50) and Insolvency, Restructuring and Dissolution Act (No. 40 of 2018); and (vi) the sanction of the Scheme by the High Court of Singapore, and (vii) each of the Parties having obtained all such authorisations, consents, clearances, permissions and/or approvals as may be necessary or required under any applicable law and/or under any contract(s) entered into by it or by any of its subsidiaries for or in respect of the implementation of the Scheme, the Transfer and the Listing.
- 3.3 Long-Stop Date: The long-stop date of the Implementation Agreement is 4 March 2022 (or such other date as may be mutually agreed between the Parties), and if the Eligibility-to-List has not been obtained by then, the long-stop date shall be automatically extended

to the date falling 3 months from 4 March 2022 (or such other date as may be mutually agreed between the Parties).

- 3.4 **Termination Events:** Each of the Parties may by notice in writing to the other Party given at any time on or prior to completion terminate the Agreement in various agreed circumstances, such as in the event of (i) any material breach of, or any event rendering a representation or warranty of the other Party, untrue, incorrect or misleading, (ii) where there is failure by or inability of the defaulting Party to perform any of the obligations under the Agreement, (iii) if the Company fails to obtain the requisite majorities from the Shareholders and/or Creditors at the relevant scheme meetings, (iv) if the SGX-ST issues a notice of delisting or rejects the transfer listing application, or (v) if there is any order, decree, ruling, direction or any other action permanently enjoining, restraining or otherwise prohibiting the implementation of the Transfer, the Listing, and the Scheme. The Agreement will also cease (save for any other provisions as expressly provided therein shall survive) if any of the Conditions Precedent has not been satisfied (or, where applicable, has not been waived) by the Long-Stop Date.
- 3.5 **Rationale:** The rationale for the Transfer is that the Company's only realisable asset is its listing status and that the Transfer, if successful, seeks to provide some recovery to Shareholders and Creditors. If the Company's assets were liquidated, there will be no return to the Creditors and no residual value available for distribution to the Shareholders. As such, the Scheme offers better returns for Creditors and Shareholders, as compared to a liquidation scenario.
- 3.6 **Disclosure of Interests:** To the knowledge of the Judicial Manager, none of the directors or controlling Shareholders of the Company has any direct or indirect interest in the proposed Transfer, other than through their respective shareholding interests in the Company (if any).
- 3.7 **Service Contracts:** To the knowledge of the Judicial Manager, no person is proposed to be appointed as a director of the Company in connection with the proposed Transfer. Directors to be appointed for the Transferee would be set out in the Information Memorandum prepared by, and to be despatched to Shareholders for the purposes of the Transfer and/or the Listing in due course by, the Transferee.
- 3.8 **Exclusivity:** Each of the Parties agrees and undertakes that it shall, throughout the term of the Agreement, engage exclusively with the other Party in relation to any transaction forming the subject matter of the Agreement and shall not, directly or indirectly, enter into or solicit discussions or negotiations with any third party on any equivalent or similar transactions.

4. INFORMATION ON THE TRANSFEEE

- 4.1 The Transferee is a private company incorporated in Singapore which owns and controls the Popsical brand. Popsical is a Singapore-based business that has created and retails a home karaoke system combining a compact palm-sized device with a mobile app. The Transferee also developed the software for its subscription-based cloud-streaming karaoke system. Through its subscription model, users of the Popsical device can have access to a self-updating library of over 200,000 licensed songs in 14 different languages.

- 4.2 More information of the Transferee and the Transferee SPV will also be set out in the Information Memorandum.

5. SCHEME DOCUMENTS AND INFORMATION MEMORANDUM

Subject to, *inter alia*, the relevant regulatory approvals being obtained, including but not limited to the in-principle approval of the SGX-ST for the Listing, the Company will in due course issue or procure to issue to the relevant Shareholders and Creditors documents containing, *inter alia*, the details and terms of the Scheme, an explanatory statement, and the notices of meetings and proxy forms (the “**Scheme Documents**”). The Scheme Documents should be read together, and in conjunction with, the Information Memorandum to be despatched together with the Scheme Documents.

6. INFORMATION RELATING TO OR PROVIDED BY THE TRANSFEREE

Information in this announcement relating to the Transferee has been provided by the Transferee or its advisers or agents, or extracted or reproduced from published or otherwise publicly available sources. The sole responsibility of the Judicial Manager has been to ensure, through reasonable enquiries, that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately and correctly reflected or reproduced in this announcement in its proper form and context. The Judicial Manager has not independently verified the accuracy and correctness of such information, and does not accept any responsibility for any information relating to or opinions expressed by or on behalf of the Transferee.

7. DOCUMENT FOR INSPECTION

A copy of the Agreement would be made available for inspection during normal business hours at the office of FTI Consulting (Singapore) Pte Ltd at 8 Shenton Way, #32-03 AXA Tower, Singapore 068811, for a period of three (3) months from the date of this announcement.

8. FURTHER ANNOUNCEMENTS

Announcements will be released with further information on the above and as and when there are material developments. Trading in Company’s securities on the SGX-ST has been suspended.

9. CAUTIONARY STATEMENT

The Transfer and the Listing are subject to, *inter alia*, the satisfaction of various conditions precedent, and there is no certainty as at this date whether the Transfer and the Listing can or will proceed. Shareholders are accordingly advised to exercise caution, and to refrain from taking any action in relation to their Shares until they or their advisers have considered the information set out in the Scheme Documents, the Information Memorandum and further announcements released by the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, or other professional advisers immediately.

**Submitted by the Judicial Manager
For and on behalf of the Company**

YIT CHEE WAH
Judicial Manager
16 June 2021