JUBILEE INDUSTRIES HOLDINGS LTD.

(Company Registration No. 200904797H)

(Incorporated in the Republic of Singapore)

PROPOSED DISPOSAL OF THE COMPANY'S SHAREHOLDING INTEREST IN EG INDUSTRIES BERHAD

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1. INTRODUCTION

1.1 The Board of Directors ("**Board**") of Jubilee Industries Holdings Ltd. ("**Company**") refers to the announcement made by Accrelist Ltd. ("**Accrelist**") dated 3 December 2019 (the "**Accrelist Announcement**") in respect of, *inter alia*, (i) the proposed disposal of 44,351,540 shares in the Company ("**Shares**"), representing approximately 17.50% of the issued and paid-up capital of the Company to EG Industries Berhad ("**EG Industries**"); and (ii) the proposed capital reduction and proposed distribution *in specie* of 122,467,391 Shares, representing approximately 48.32% of the issued and paid-up capital of the Company to the shareholders of Accrelist (collectively, the "**Proposed Accrelist Transactions**"). It is noted, from the Accrelist Announcement, that completion of the Proposed Accrelist Transactions is conditional upon, *inter alia*, the approval of the shareholders of Accrelist having been obtained for the Proposed Accrelist Transactions. Further details on the Proposed Accrelist Transactions can be found in the Accrelist Announcement.

1.2 The Board wishes to announce that, subject to completion of the Proposed Accrelist Transactions, the Company is proposing to undertake the proposed disposal of all of its interest in EG Industries, being 37,863,270 ordinary shares in the capital of EG Industries ("**EG Sale Shares**"), representing approximately 13.77% of the issued and paid-up capital of EG Industries (including treasury shares) to Mr. Terence Tea Yeok Kian ("**Terence**") (the "**Proposed Disposal**"). In this regard, a conditional letter agreement has been entered into between the Company and Terence on 24 December 2019 in respect of the Proposed Disposal ("**Conditional Letter Agreement**"), certain key details of which are further elaborated in paragraph 4 below.

2. BACKGROUND INFORMATION ON THE PROPOSED DISPOSAL

2.1 Information on EG Industries

EG Industries is listed on the Second Board of the Bursa Malaysia Exchange ("**Bursa Malaysia**") on 27 September 1993 as an investment holding company and is a public company limited by shares incorporated in Malaysia on 14 August 1991. As at the date of this Announcement, the Company has an interest in 13.77% of the issued and paid-up capital in EG Industries (including treasury shares).

EG Industries is engaged in the provision of electronic manufacturing services for world-renowned brand names of electrical and electronic products, which is within the same industry as and similar to the Mechanical Business Unit ("**MBU**") and Electronics Business Unit ("**EBU**") business segments of the Company.

2.2 Information on Terence

Terence is the Executive Chairman and Chief Executive Officer of the Company. As at the date of this Announcement, Terence has an aggregate (direct and indirect) interest in the Company of 166,991,431 Shares, representing approximately 65.89% of the issued and paid-up capital of the Company. Upon completion of the Proposed Accrelist Transactions, Terence's interest in the Company would be reduced to 25,890,338 Shares, representing approximately 10.22% of the issued and paid-up capital of the Company.

Terence is also the Group Executive Chairman of EG Industries. As at the date of this Announcement, he has an aggregate (direct and indirect) interest in EG Industries of 46,602,695 shares in EG Industries, representing approximately 16.95% of the issued and paid-up capital of EG Industries.

3. RATIONALE FOR THE PROPOSED DISPOSAL

3.1 The Proposed Disposal is contemplated to be undertaken as the Board is of the view that the Proposed Disposal will benefit the Company and the shareholders of the Company ("**Shareholders**") given the following:

(i) the Proposed Disposal is undertaken pursuant to a strategic review of the financial position, operational needs, long-term strategy and direction of the Company and its subsidiaries (the "**Group**") as well as having regard to the Proposed Accrelist Transactions. Having regard to the terms of the Proposed Disposal, the Board is of the view that the Proposed Disposal represents an opportunity for the Group to divest its investment in EG Industries for a reasonable consideration, to realise the value from its investment in EG Industries; and

(ii) the Proposed Disposal would also improve the Group's liquidity, fund the Group's working capital requirements and enable it to reallocate resources to focus on stabilising and expanding its core businesses of its (i) Mechanical Business Unit ("**MBU**") which carries out precision plastic injection moulding and mould design and fabrication services; and (ii) Electronics Business Unit ("**EBU**") which provides integrated electronic component distribution services and modular design fabrication, as well as to pursue any future business opportunities as and when they arise, with the aim of enhancing Shareholders' value.

4. KEY TERMS OF THE PROPOSED DISPOSAL

4.1 Consideration

Pursuant to the terms of the Conditional Letter Agreement, the estimated aggregate consideration payable for the purchase of the EG Sale Shares is S$5,366,018 ("**Consideration**"), to be satisfied in full in cash. The Consideration is determined based on the volume-weighted average price per share of EG Industries ("**EG Shares**") transacted on Bursa Malaysia for the 90-day period prior to and including the last full day of trading in the EG Shares on Bursa Malaysia preceding the date of the Conditional Letter Agreement ("**90-day VWAP Price**"). The Consideration was negotiated between the parties at arm's length and arrived at on a willing-buyer willing-seller basis, taking into consideration, the 90-day VWAP Price.

4.2 Conditions Precedent

Completion of the Proposed Disposal ("**Completion**") is conditional on, *inter alia*, completion of the Proposed Accrelist Transactions and the approval of Shareholders by way of an ordinary resolution for the Proposed Disposal as an interested person transaction (as defined below) at an extraordinary general meeting of the Company ("**EGM**") to be convened.

4.3 Financial Information Relating to the EG Sale Shares

Based on the audited consolidated financial statements for the Group for the financial year ended 31 March 2019 ("**FY2019**"), the book value of the EG Sale Shares amounted to approximately S$11.3 million and the net tangible assets ("**NTA**") of the EG Sale Shares amounted to approximately S$11.3 million. The market capitalisation of EG Industries as at the date of this

Announcement is approximately S$36.0 million. No independent valuation in respect of the EG Sale Shares was commissioned.

4.4 **Net Proceeds and Loss on Disposal**

The net sale proceeds from the Proposed Disposal, after deducting all costs and expenses, is estimated to be approximately S$5.3 million, part of which will be utilised for general working capital of the Group and/or funding any strategic investments or acquisitions, which are more likely to enhance shareholder value, when suitable opportunities arise.

The net proceeds from the Proposed Disposal will give rise to an estimated net loss of approximately S$6.0 million over the book value of the EG Sale Shares of approximately S$11.3 million as at 31 March 2019 for the Group.

5. THE PROPOSED DISPOSAL – APPLICABILITY OF CHAPTER 10 OF THE CATALIST RULES

5.1 **Financial Effects of the Proposed Disposal**

(i) Assumptions

The pro forma financial effects of the Proposed Disposal on the Group presented below are strictly for illustrative purposes only and do not reflect the actual financial effects or future financial performance and condition of the Company and/or the Group following completion of the Proposed Disposal. The pro forma financial effects are calculated based on the latest audited consolidated financial results of the Group for FY2019. The financial effects set out below are prepared based on the following assumptions:

(a) the expenses incurred by the Company in connection with the Proposed Disposal are disregarded for the purposes of calculating the financial effects;

(b) for the purpose of computing the NTA per Share, it is assumed that the Proposed Disposal had been effected at the end of FY2019; and

(c) for the purpose of computing the earnings per share ("**EPS**") of the Group, it is assumed that the Proposed Disposal had been effected at the beginning of FY2019.

(ii) NTA

On the basis that the Proposed Disposal had been completed on 31 March 2019:

	Group	
	Before the Proposed Disposal	**After the Proposed Disposal**
NTA attributable to Shareholders (S$'000)	38,597	32,573
NTA per Share (cents)	3.124	2.636

(iii) EPS

On the basis that the Proposed Disposal had been completed on 1 April 2018:

	Group	
	Before the Proposed Disposal	**After the Proposed Disposal**
Profit/(Loss) attributable to Shareholders (S$'000)	2,705	(3,319)
Earning/(Loss) per share (cents)	0.219	(0.269)

5.2 Relative Figures under Chapter 10 of the Catalist Rules

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**"), based on the latest unaudited consolidated financial results of the Group for the six-month financial period ended 30 September 2019 as announced by the Company on 14 November 2019 are as follows:

Rule 1006	*Bases*	*Relative Figures*
(a)	The net asset value of assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	28.79% (1)
(b)	The net losses attributable to the assets acquired or disposed of, compared with the Group's net profits.	-10.37% (2)
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	26.47% (3)
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable (4)
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil or gas company, but not to an acquisition of such assets.	Not applicable (5)

Notes:

(1) Computed based on the net asset value of the EG Sale Shares of S$11.6 million as at 30 September 2019 compared with the Group's net assets of S$40.3 million as at 30 September 2019.

(2) Computed based on the net profits attributable to the EG Sale Shares of S$0.2 million for 1HY2020 compared with the Group's losses before tax, minority interest and extraordinary items of S$1.5 million for 1HY2020.

(3) Computed based on the Consideration amounting to approximately S$5.4 million and the market capitalisation of the Company of S$20.3 million (based on 253,437,373 Shares in issue excluding treasury shares and the last traded price of S$0.08 per Share before the date of this Announcement).

(4) Not applicable, as this is not an acquisition.

(5) Not applicable, as this is not a disposal of mineral, oil or gas assets by a mineral, oil or gas company.

As the relative figure under each of Rule 1006(a), (b) and (c) above exceeds 5%, but is not more than 50%, the Proposed Disposal constitutes a "disclosable transaction" for the Company as defined under Rule 1010 of the Catalist Rules.

Rule 1007(1) of the Catalist Rules provides that where any of the relative figures computed pursuant to Rule 1006 is a negative figure, Chapter 10 may still be applicable to the transaction at the discretion of the SGX-ST. Given that the Group was loss-making for 1HY2020 while EG Industries was profit-making for the same period, the relative figure under Rule 1006(b) of the Catalist Rules is negative. Accordingly, the Company will be consulting the SGX-ST that the Proposed Disposal constitutes a "disclosable transaction" as defined under Chapter 10 of the Catalist Rules only. The Company will make further announcements on any material development in respect of the Proposed Disposal as and when appropriate.

6. THE PROPOSED DISPOSAL AS AN INTERESTED PERSON TRANSACTION

6.1 Interested Person Transaction

As stated in paragraph 2.2 of this Announcement, Terence is the Executive Chairman and Chief Executive Officer of the Company. As at the date of this Announcement, Terence has an aggregate (direct and indirect) interest in the Company of 166,991,431 Shares, representing approximately 65.89% of the issued and paid-up capital of the Company. Following the completion of the Proposed Accrelist Transactions, Terence will have an aggregate (direct and indirect) interest in the Company of 25,890,338 Shares, representing approximately 10.22% of the issued and paid-up capital of the Company, but will still remain as the Executive Chairman and Chief Executive Officer of the Company. Accordingly, Terence is an "interested person" under Rule 904(4) of the Catalist Rules, and the Proposed Disposal will constitute an interested person transaction under Chapter 9 of the Catalist Rules.

The Consideration for the Proposed Disposal represents approximately 13.90% of the audited consolidated NTA of the Group as at 31 March 2019. Accordingly, in accordance with Chapter 9 of the Catalist Rules, the value of the Proposed Disposal, being an interested person transaction that is more than 5% of the latest audited NTA of the Group, is therefore subject to the approval of Shareholders at the EGM. Terence and his associates will abstain from voting on the Proposed Disposal in respect of their respective shareholdings in the Company. Accordingly, the Proposed Disposal will be subject to a simple majority approval of independent Shareholders present and voting at the EGM.

6.2 Total Value of all Interested Person Transactions

The total value of all interested person transactions, excluding transactions which are less than S$100,000 and those transactions that are exempted from compliance with Rule 905, Rule 906 and Rule 907 of the Catalist Rules, with (a) Terence and his associates; and (b) all interested persons of the Company, for FY2020 up to the date hereof, and the percentage of the Group's audited consolidated NTA as at 31 March 2019 represented by such values are as follows:

	Before the Proposed Disposal		**After the Proposed Disposal**	
	Amount (S$'000)	**Percentage of audited consolidated NTA**	**Amount (S$'000)**	**Percentage of audited consolidated NTA**
Total value of all transactions with Terence and his associates	-	-	5,366	13.90%

Total value of all interested persons of the Company	-	-	5,366	13.90%

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Terence is also a director of EG Industries. Save as set out above, none of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal (other than their direct or indirect shareholding interest in the Company).

8. INDEPENDENT FINANCIAL ADVISER

The Company will be appointing an independent financial adviser ("**IFA**") to advise the directors of the Company who are considered independent of the Proposed Disposal ("**Independent Directors**") on whether the terms of the Proposed Disposal (i) are on normal commercial terms; and (ii) are prejudicial to the interests of the Shareholders.

A copy of the letter from the IFA to the Independent Directors will be appended in the Circular (as defined below) to be despatched to the Shareholders in due course.

9. AUDIT COMMITTEE'S STATEMENT

The Company's Audit Committee will obtain an opinion from the IFA before forming its view on whether the Proposed Disposal is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Terence will abstain from the deliberation, decision and voting on any resolution in respect of the Proposed Disposal.

10. CIRCULAR

A circular ("**Circular**") to the Shareholders containing further details of, *inter alia*, the Proposed Disposal, together with a notice of the EGM to be convened in connection with the Proposed Disposal will be despatched to the Shareholders in due course.

11. DOCUMENTS FOR INSPECTION

A copy of the Conditional Letter Agreement is available for inspection during normal business hours at the registered office of the Company at 10 Ubi Crescent, Ubi Techpark, Lobby E #03-95, Singapore 408564, for a period of three months commencing from the date of this Announcement.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The directors of the Company ("**Directors**") collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Disposal 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.

Shareholders are advised to exercise caution in trading their shares in the Company and Accrelist as there is no certainty or assurance that any of the Proposed Accrelist Transactions and/or the Proposed Disposal will be consummated. The Company will make the necessary announcements as and when there are further developments. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and CEO
24 December 2019

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**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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