

JUBILEE INDUSTRIES HOLDINGS LTD.

(Company Registration No.: 200904797H)

(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF 150,150,150 NEW ORDINARY SHARES IN THE CAPITAL OF JUBILEE INDUSTRIES HOLDINGS LTD. AT A SUBSCRIPTION PRICE OF S\$0.0333 PER SHARE FOR AN AGGREGATE OF S\$5,000,000

1. INTRODUCTION

- 1.1 The board of directors (the “**Board**”) of Jubilee Industries Holdings Ltd. (the “**Company**”), and together with its subsidiaries (the “**Group**”) wishes to announce that the Company had on 29 June 2017 entered into a share placement agreement (the “**Placement Agreement**”) with Mr. Pek Hak Bin (the “**Subscriber**”), pursuant to which the Subscriber has, *inter alia*, agreed to subscribe and the Company has agreed to allot and issue, an aggregate of 150,150,150 new ordinary shares (the “**Subscription Shares**”) in the capital of the Company for an aggregate subscription consideration of S\$5,000,000 (the “**Proposed Placement**”).
- 1.2 The price at which each Subscription Share is proposed to be issued is S\$0.0333 per Subscription Share (the “**Subscription Price**”). The Subscription Price represents a 10% discount to the closing share price of S\$0.037 for trades done on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 June 2017, being the last full market day on which the shares of the Company were traded immediately preceding the date of signing of the Placement Agreement.
- 1.3 When allotted and issued, the Subscription Shares will be free from all claims, charges, liens and other encumbrances and will rank in all respects *pari passu* with the existing issued Shares save that they will not rank for any dividend, rights, allotments or other distributions, the Record Date (as defined below) of which falls on or before the completion of the Proposed Placement. “**Record Date**” means the date fixed by the Company for the purposes of determining entitlements to dividends or other distributions to or rights of holders of Shares.
- 1.4 An introducer fee (customary in the trade) of 3% of the aggregate subscription consideration (negotiated on a “willing seller willing buyer basis”) will be paid to one Mr. Seah Chong Hoe (the “**Introducer**”), by way of allotment and issuance of 4,504,504 new ordinary shares (the “**Introducer’s Shares**”) in the share capital of the Company at the same Subscription Price. No part of this introducer fee will be shared with the Subscriber.
- 1.5 The Subscription Shares together with the Introducer’s Shares, when allotted and issued in full will increase the issued and paid-up share capital of 672,550,913 Shares (excluding treasury shares) to 827,205,567
- 1.6 In accordance with Rule 803 of the SGX-ST Listing Manual Section B: Rules of Catalyst (the “**Catalist Rules**”), the Proposed Placement is subject to shareholders’ approval. The Company intends to seek shareholders’ approval for the allotment and issuance of the Subscription Shares at its forthcoming annual general meeting.
- 1.7 The offer by the Company to the Subscriber to subscribe for the Subscription Shares is made in reliance on the exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore.

- 1.8 An application will be made through the Company's sponsor to the SGX-ST in due course for the listing and quotation of the Subscription Shares and Introducer's Shares to be allotted and issued to both the Subscriber and the Introducer on the relevant completion date applicable. The Company will make the necessary announcement(s) once the listing and quotation notice for the Subscription Shares and Introducer's Shares has been obtained from the SGX-ST.

2. INFORMATION ON SUBSCRIBER

- 2.1 The Subscriber is the Chief Executive Officer for Cronus Resources Group, a company involves in investments in the energy, resources and technologies sectors in Asia. He is also the Deputy Chairman of Kretam Holdings Limited and a director in several other organisations. The Subscriber was the former Country President of BP Singapore, and previously a partner in KPMG. He was introduced to the Company by the Introducer.
- 2.2 The Subscriber expressed interest to invest in the Company and, after negotiations, the Company agreed to place the Subscription Shares to the Subscriber. As at the date of this announcement, the Subscriber does not hold any Shares in the Company.
- 2.3 The Company confirms that, the Subscriber has no connection with, and no Subscription Shares will be placed to, any persons within the class of restricted persons under Rule 812(1) of the Catalist Rules.

3. THE PROPOSED PLACEMENT

3.1 Conditions to the subscription of the Subscription Shares

Under the Placement Agreement, the completion of the Proposed Placement is subject to, *inter alia*, the following conditions precedent:

- 3.1.1 the allotment and issuance of up to 338,006,296 new ordinary Shares in the share capital of the Company pursuant to the convertible loan agreement dated 7 October 2016 entered into between the Company and Accrelist Ltd (the "**Proposed Conversion**");
- 3.1.2 the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Subscription Shares (the "**Listing and Quotation Notice**") having been obtained (on terms and conditions acceptable to the Company and the Subscriber, each acting reasonably) and not being revoked or amended;
- 3.1.3 any conditions attached to the Listing and Quotation Notice which is required to be fulfilled on or before the completion date of the Proposed Placement (the "**Completion Date**"), having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;
- 3.1.4 the written approval of the bank being obtained for the Subscription (if required);
- 3.1.5 the grant of all applicable governmental and regulatory approvals required in connection with the Subscription including, but not limited to, the approval of the Sponsor, and the approval in-principle of the SGX-ST for the listing and quotation of the Subscription Shares; and
- 3.1.6 there having been, as at the Completion date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any material respect any of the

warranties by both the Company and the Subscriber if they were repeated on and as of the Completion Date.

If any of the conditions precedent set out above is not satisfied on or before 28 September 2017 (or such later date as the Company and the Subscriber may agree in writing), the Company or the Subscriber shall thereupon be entitled to terminate the Placement Agreement and in such event, the Company and the Subscriber shall be released and discharged from their respective obligations thereunder provided that the Subscriber may at his own discretion (and subject to such conditions as it may impose) waive compliance with paragraph 3.1.6 above.

4. RATIONALE OF PROPOSED PLACEMENT AND USE OF PROCEEDS

- 4.1 The rationale for the Proposed Placement is to increase resources available to the Company to improve its cash flow, including improving its product mix towards higher margin products and services, sourcing for new product lines and to explore acquisition and/or business opportunities as part of its strategic objectives as and when they arise, as part of the Company's management objectives of achieving long-term growth and delivering shareholders value. The Company intends to use 100% of the net proceeds of the Proposed Placement for general working capital purposes.
- 4.2 The estimated net proceeds from the Proposed Placement, after deducting estimated fees and expenses, is approximately S\$4,800,000 (the "**Net Proceeds**").
- 4.3 The Company will make periodic announcement(s) as to the use of the Net Proceeds as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use and in accordance with the percentage allocated. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full-year financial statements issued under Rule 705 of the Catalist Rules and the Company's annual report. Where the Net Proceeds have been used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and status report. Where there is any material deviation from the stated use of the Net Proceeds, the Company will announce the reasons for such deviation.
- 4.4 Pending the deployment of the Net Proceeds, such Net Proceeds may be deposited with banks or financial institutions, invested in short-term money market instruments or marketable securities, and/or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Company.
- 4.5 The Directors are of the opinion that, after taking into consideration the present bank facilities, the working capital available to the Group is sufficient to meet its present requirements.
- 4.6 The Directors are of the opinion that, after taking into consideration the present bank facilities and Net Proceeds of the Proposed Placement, the working capital available to the Group is sufficient to meet its present requirements.

5. CHANGE IN CONTROLLING INTEREST

Upon allotment of the Subscription Shares, the Subscriber would become a controlling shareholder of the Company. There will no substantial changes to the shareholdings of Accrelist Ltd., the existing controlling shareholder of the Company, as a result of the allotment and will continue to remain the largest controlling shareholder of the Company.

For illustration purposes only, the table below sets out the shareholdings of the existing substantial shareholders of the Company and the Subscriber before and after the completion of the Proposed Placement:

	Before the Placement				After the Placement ⁽¹⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Shareholders Substantial								
<u>Existing Shareholders</u>								
Accrelist Ltd	97,354,500	29.10	—	—	435,360,796	52.63	—	—
Toh Soon Huat	5,963,000	1.78	32,027,000	9.57	5,963,000	0.72	32,027,000	3.87
<u>The Subscriber</u>								
Pek Hak Bin	—	—	—	—	150,150,150	18.15	—	—

- (1) This column assumes that the allotment of the Conversion Shares issued by the Company to Accrelist Ltd has been completed based on the announcement on SGXNET dated 28 June 2017 where the Company has received notice from Accrelist for the notice of conversion.

In addition, the Directors wish to inform Shareholders as follows:

- (i) The Subscriber does not have, and will not post-Subscription have, any representation (whether directly or indirectly through a nominee) on the board of directors of the Company; and
- (ii) The Subscriber does not have control or influence over the Company in connection with the day-to-day affair and operations of the Company.

6. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling Shareholders of the Company or their respective associates has any interest, direct or indirect, in the Proposed Placement, other than their respective interests in the Shares (if any). None of the Directors or substantial shareholders of the Company or their respective associates have any connection (including business relationship) with the Subscriber.

7. AGM AND CIRCULAR TO SHAREHOLDERS

The Company will seek the approval of the Shareholders for the Proposed Placement in its forthcoming annual general meeting 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 AGM in connection therewith, will be dispatched to the Shareholders in due course.

8. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Placement Agreement is available for inspection at the registered office of the Company at 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96 Singapore 408564 during normal business hours for a period of three (3) months from the date of this announcement.

9. RESPONSIBILITY STATEMENT

The Directors of the Company (including any Director who may have delegated detailed supervision of the preparation of this announcement) 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 Placement, 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 the 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 the announcement in its proper form and context.

10. CAUTIONARY STATEMENT

Shareholders and potential investors should exercise caution when trading in Shares of the Company, and where in doubt as to the action they should take, they should consult their financial, tax or other professional adviser immediately.

For and On Behalf of the Board

Terence Tea Yeok Kian
Non-Executive Chairman
29 June 2017

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**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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