WE HOLDINGS LTD.
(Company Registration No. 198600445D)
(Incorporated in the Republic of Singapore)

LOAN AGREEMENTS

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 Convertible Loan Agreement and the Direct Loan Agreement entered into between the Company and the Borrower dated 7 October 2016.

1. Introduction

The Board of Directors ("the **Board**") of WE Holdings Limited (the "**Company**") wishes to announce that the Company had, on 7 October 2016, entered into a Convertible Loan Agreement (the "**Convertible Loan Agreement**") and a Direct Loan Agreement (the "**Direct Loan Agreement**") with Jubilee Industries Holdings Ltd. (the "**Borrower**"), pursuant to which the Company has extended to the Borrower a total loan amount of up to US$16,000,000.00 (the "**Loans**"), whereby US$8,000,000.00 (the "**Convertible Loan**") is convertible into such number of new ordinary shares in the capital of the Borrower (the "**Conversion Shares**") on the terms and subject to the conditions of the Convertible Loan Agreement whilst the other US$8,000,000.00 (the "**Direct Loan**") was extended to the Borrower on the terms and subject to the conditions of the Direct Loan Agreement.

WE Components was a wholly owned subsidiary of the Company prior to its acquisition by the Borrower on 18 July 2014. As mentioned above, the Company has to date extended a total loan amount of up to US$16,000,000.00 to the Borrower. Of the US$16,000,000.00 extended, approximately US$10,000,000.00 had been disbursed prior to the acquisition of WE Components by the Borrower, while US$6,000,000.00 was disbursed after the acquisition. Out of the US$10,000,000.00 disbursed prior to the acquisition of WE Components by the Borrower, US$8,000,000.00 was disbursed by way of the Direct Loan, whereas the remaining US$2,000,000.00 was disbursed as part of the Convertible Loan. The remaining US$6,000,000.00 is subject to the terms and conditions of the Convertible Loan Agreement.

The Borrower has granted the Company a right for the Company to convert the Convertible Loan, in whole or in part, at the option of the Company into Conversion Shares based on one hundred and twenty percent (120%) of the volume weighted average price quoted by the SGX-ST for 30 consecutive trading days ending on the trading day immediately preceding the date of the Convertible Loan Agreement and on the terms and subject to the conditions of the said Agreement.

The Directors are satisfied that the provision of the Convertible Loan Agreement is in the interest of the Company as the Company is the controlling shareholder of the Borrower, further ensuring the growth of WE Components Pte. Ltd. ("**WE Components**"). Further, there is sufficient safeguard to ensure the repayment of the Convertible Loan either through cash payment from the Borrower or the conversion of the same value into Conversion Shares in the Borrower upon the expiry of the Term. The Company is adequately secured in terms of the Convertible Loan Agreement.

Similarly, the Company has granted the Borrower an option to make repayments of principal and payments of interest of the Direct Loan by way of a transfer of ordinary shares held by the

Borrower in EG Industries Berhad (Company No. 222897-W) ("**EG**") (subject to the Company's approval) based on the volume weighted average price quoted by Bursa Malaysia Securities Berhad for thirty (30) consecutive trading days ending on the trading day immediately preceding the date of the payment and on the terms and subject to the conditions of the Direct Loan Agreement.

The Directors are satisfied that the provision of the aforementioned payment option in the Direct Loan Agreement is in the interest of the Company as the Company would be able to guarantee repayment of the Direct Loan. It is also in the interest for the Company to ensure that control of EG still resides within the Group. Thus the Company is adequately secured in terms of the Direct Loan Agreement.

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

2. Background Information on the Borrower

The Borrower is a Singapore-based investment holding company which operates in the United States, Malaysia, China, Europe, Indonesia and Thailand. The Borrower is principally engaged in the provision of (i) mould design and fabrication ("**MDF**"), (ii) precision plastic injection moulding ("**PPIM**") and other PPIM-related value added services in consumer electronics, computer peripherals, automotive and household appliances, and (iii) provision and distribution of electronic components and products, services and solutions to industrial and commercial users.

The electronics component business segment of the Borrower was acquired from the Company pursuant to a Sale and Purchase Agreement between the Borrower and Company dated 18 July 2014 whereby the Company disposed of the entire issued and paid-up share capital of WE Components to the Borrower for an aggregate consideration of US$14,010,000.00. The relevant information was released in the Company's announcements dated 18 July and 8 October 2014.

As at the date of this announcement, the Borrower has an issued and paid up share capital of S$48,195,662.00 divided into 332,823,469 ordinary shares priced at S$0.027 each, which are listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The share capital of the Borrower excludes treasury shares, which amount to S$736,384.00 divided into 13,682,000 treasury shares.

3. Deed of Assignment of Debt between WE Components, the Company and the Borrower

In addition to the Convertible Loan Agreement and the Direct Loan Agreement entered into between the Company and the Borrower on 7 October 2016, the Company also entered into a Deed of Assignment of Debt with WE Components and the Borrower whereby WE Components assigned to the Borrower its debt of US$16,000,000 owed to the Company. Pursuant to such assignment of the debt from WEC to the Borrower, the obligation to repay the assigned debt shall be borne by the Borrower.

4. Interested Person Transaction ("IPT")

(A) Convertible Loan Agreement

The Convertible Loan Agreement does not constitute an IPT as the Borrower does not fall under the definition of an Interested Person as defined in Chapter 9 of the Listing Manual.

(B) Direct Loan Agreement

The Direct Loan Agreement does not constitute an IPT as the Borrower does not fall under the definition of an Interested Person as defined in Chapter 9 of the Listing Manual.

(C) Others

As at the date of this announcement, the Company's Executive Chairman and Managing Director, Mr Terence Tea, does not hold any shares in the Borrower.

5. Principal Terms of the Convertible Loan Agreement

The principal terms of the Convertible Loan Agreement are as follows:-

(a) **Drawdown**: As at the date of this Convertible Loan Agreement, the full amount of the Convertible Loan has been disbursed to the Borrower.

(b) **Purpose**: The Convertible Loan shall be applied solely towards the working capital requirements and purposes of the Borrower.

(c) **Term of the Loan**: The term of the Convertible Loan is for a period of three (3) years.

(d) **Interest**: The Convertible Loan shall bear interest at the rate of two per cent (2%) per annum (calculated on the basis of a year of 365 days and actual number of days lapsed) from the respective dates of disbursement of the Convertible Loan payable at the end of the Term of the Convertible Loan if the Convertible Loan is not converted.

(e) **Repayment of Loan**: The Borrower shall on Repayment Notice by the Company, repay on the Repayment Date i.e. the date falling seven (7) Business Days from the date of the Repayment Notice or any other date as determined by the Company, to the Company or as the Company may direct, the full amount of the Convertible Loan and all interests which have accrued thereon which remains unpaid.

(f) **Prepayment of Loan**: The Borrower may not prepay the Convertible Loan without the prior written consent of the Company, which consent may be given subject to such terms and on such conditions as the Company in its absolute discretion deems fit.

(g) **Conversion Right**: Subject to the Listing and Quotation Notice being obtained by the Borrower, the Convertible Loan or any part thereof including all accrued interest may be converted by the Company from time to time into Conversion Shares at a Conversion Price based on one hundred and twenty percent (120%) of the volume weighted average price quoted by the SGX-ST for 30 consecutive trading days ending on the trading day immediately preceding the date of the Convertible Loan Agreement. In the event the Company chooses to convert the Convertible Loan partially, the Borrower shall allot and issue such relevant number of Conversion Shares based on the same share price. For the avoidance of doubt, the Company shall have the right to convert the Convertible Loan at

any time before the expiry of the Term by the serving a Conversion Notice to the Borrower.

(h) **Status of the Conversion Shares**: The Conversion Shares, when issued, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank, pari passu, in all respects with the existing ordinary shares of the Borrower.

(i) **Governing Law**: The terms of the Convertible Loan Agreement shall be governed by and construed in accordance with the laws of Singapore.

6. Principal Terms of the Direct Loan Agreement

The principal terms of the Direct Loan Agreement are as follows:-

(a) **Drawdown**: As at the date of this Direct Loan Agreement, the full amount of the Direct Loan has been disbursed to the Company.

(b) **Purpose**: The Direct Loan shall be applied solely towards the working capital requirements and purposes of the Company.

(c) **Term of the Loan**: The term of the Direct Loan is for a period of three (3) years.

(d) **Interest**: The Direct Loan shall bear interest at the rate of five per cent (5%) per annum (calculated on the basis of a year of 365 days and actual number of days lapsed) from the respective dates of disbursement of the Direct Loan payable at the end of the Term of the Direct Loan.

(e) **Repayment of Loan**: The Borrower shall repay the Company the Direct Loan and interest thereon amounting in aggregate to US$9,200,000 on the date falling 36 months from the date of the Direct Loan Agreement PROVIDED ALWAYS and without prejudice to the Company's rights upon the occurrence of any Event of Default such that the Company shall have the right on first written demand to require repayment of the Direct Loan and all interest accruing thereon, at any time after the date falling 3 months from the date of the Direct Loan Agreement.

(f) **Prepayment of Loan**: The Borrower may prepay the whole or any part of the Direct Loan before the Repayment Date upon the prior written consent of the Company unless otherwise expressly provided in the Direct Loan Agreement.

(g) **Payment Provisions**: Unless otherwise provided in the Direct Loan Agreement, all repayments of principal and payments of interest and all other sums due from the Borrower under this Agreement shall be made available by the Borrower (i) first in Dollars for value, then (ii) by way of transfer of ordinary shares held by the Borrower in EG Industries Berhad (Company No. 222897-W) ("EG"). In the event the Borrower makes repayments of principal and payments of interest by way of a transfer of ordinary shares held by the Borrower in EG, and subject to the Company's approval of the same, the value of the aforementioned transfer shall be determined based on the weighted average price quoted by Bursa Malaysia Securities Berhad for thirty (30) consecutive trading days ending on the trading day immediately preceding the date of payment. The Borrower shall make payment of any shortfall in Dollars for value or in immediately available funds. For the avoidance of doubt, the Borrower shall use all reasonable endeavours to procure that the Loan be first repaid by way of cash payments before electing the aforementioned share transfer.

(i) **Governing Law**: The terms of the Direct Loan Agreement shall be governed by and construed in accordance with the laws of Singapore.

(j) **Event of Default**: In the event of default, the Company shall be entitled to declare the occurrence of an Event of Default by notice in writing to the Borrower whereupon the Total Indebtedness shall become immediately due and payable without any demand or notice which is hereby expressly waived, the Company shall be entitled to apply any credit balance outstanding in any account of the Borrower with the Company and in whatever currency towards satisfaction of the Total Indebtedness, and the Company's commitments in relation to the Loan shall automatically be cancelled and forthwith cease.

(k) **Amendments, Waivers and Consents**: Any provision of the Direct Loan Agreement may be amended only if the Borrower and the Company so agree in writing and any Event of Default or Potential Event of Default may be waived before or after it occurs only if the Company so agrees in writing.

7. Conditions Precedent of the Convertible Loan Agreement

The obligations of the Company to make available the Convertible Loan to the Borrower are subject to the fulfillment of conditions precedent including, but not limited to, the following:

(a) both the Company and the Borrower to obtain approval from their respective shareholders in general meeting to enter into the Convertible Loan Agreement;

(b) the Company to obtain an exemption (known as a "**Whitewash Waiver**") from the Securities Industry Council of Singapore ("**SIC**") to not make a Mandatory Take-over Offer to the Borrower under Rule 14 of the Singapore Code of Take-overs and Mergers issued by the Monetary Authority of Singapore (the "Code") upon the conversion, if any. As Conversion will result in the Company holding more than 30% of the Borrower's issued and paid up share capital, the Conversion will trigger a Mandatory Take-over Offer from the Company for all of the Borrower's shares under Rule 14 of the Code. The whitewash waiver will have to be obtained such that the Company shall not be obligated under Rule 14 of the Code to make a Mandatory Take-over Offer for all of the Borrower's shares;

(c) the execution of a Deed of Assignment of Debt between WE Components, the Company and the Borrower whereby WE Components assigns to the Borrower its debt of US$16,000,000 owed to the Company;

(d) that all acts, conditions and things required to be done and performed and to have happened precedent to the execution and delivery of the Convertible Loan Agreement and to constitute the same legal, valid and binding obligations enforceable in accordance with its respective terms, shall have been done and performed and have happened in due and strict compliance with all applicable laws; and

(e) that no Event of Default or Potential Event of Default has occurred on or before the date of this Convertible Loan Agreement.

In the event that any of the above conditions is not satisfied or fulfilled within 5 months from the date of this Convertible Loan Agreement (or such extension to be mutually agreed by the Parties), A) if the non-satisfaction or non-fulfilment of any of the above conditions is due to the

Company, the Borrower shall immediately repay the Loan with accrued interest of 5% per annum commencing from the date of this Convertible Loan Agreement to the Company; or B) if the non-satisfaction or non-fulfilment of any of the above conditions is due to the Company, the Parties shall discuss in good faith on the repayment of the Convertible Loan plus accrued interest.

Upon the satisfaction or fulfillment of the above conditions, this Convertible Loan Agreement shall take effect on the date of this Convertible Loan Agreement.

8. Rationale for the Loans

The Company is of the view that the Loan Agreements are beneficial to the Company, its subsidiaries and associates as this arrangement will enable the Company to pursue full and final settlement of the Borrower's obligation due to the Company as a result of the Loans. For the avoidance of doubt, this obligation includes part of the US$16,000,000 Debt owed by WE Components to the Company which has been assigned by WE Components to the Borrower whereby the obligation to repay the assigned debt shall be borne by the Borrower.

Through the execution of the Convertible Loan Agreement, the Company would be entitled to convert any outstanding amounts into shares in the Borrower, allowing the Company to have greater control in the Borrower, ensuring that the interests of the Company is protected. Further, given the market conditions in the commodities industry, the Company would be able to supplement its revenue through the earning of the interest from the Borrower in both Loans, thus allowing it to support the Company's commodities business.

The Company would also be able to devote its resources and enhance its earning base through expansion of the Company's commodities business into the global market, which will subsequently maximize its returns.

9. Financial Effects of the Convertible Loan

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Loan (prior to conversion) on the Net Tangible Assets ("**NTA**") per share of the Company based on the latest audited consolidated financial results for the financial year ending 31 March 2016, and the assumptions as summarized herein and in the accompanying notes.

Net Tangible Assets ("NTA") per share

	Before entering into the Convertible Loan Agreement	**After entering into the Convertible Loan Agreement**
Consolidated NTA attributable to shareholders of the Company ("Shareholders")	35,593,000	35,593,000
Number of Shares	5,242,633,329	5,242,633,329

NTA per Share (US$ cents)	0.68	0.68

Earnings per share

	Before entering into the Convertible Loan Agreement	**After entering into the Convertible Loan Agreement**
Net (loss)/profit for the period as at FY2016 (US$'000)	(6,505)	(6,505)
Weighted average number of issued share	4,609,324,220	4,609,324,220
Earning per share (US$ cents)	-0.14	-0.14

10. Financial Effects of the Direct Loan

As the Direct Loan has already been disbursed to WE Components prior to its acquisition by the Borrower, there are no financial effects of the Direct Loan on the Group.

11. Interests of Directors and Substantial Shareholders

Mr Terence Tea is the Non-Executive Chairman of the Borrower but does not hold any shares in the Borrower.

At the date of this announcement, Independent Director of the Company, Mr Ng Li Yong, holds 0.05% of the issued share capital of the Borrower.

12. Abstention from Voting

Mr. Terence Tea and Mr. Ng Li Yong, being the shareholders of the Company, would abstain from voting in the EGM in the event an EGM is required to be held.

13. Circular and EGM

The Company shall convene an EGM to seek Shareholders' approval on the Convertible Loan Agreement and/or the Direct Loan Agreement if necessary and the corresponding Circular containing the notice of the EGM shall be despatched to Shareholders in due course.

14. Documents Available For Inspection

A copy of the Convertible Loan Agreement, Direct Loan Agreement and Deed of Assignment of Debt 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, #03-95, Singapore 408564 for three (3) months from the date of this announcement.

15. 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.

BY ORDER OF THE BOARD

Terence Tea Yeok Kian
Executive Chairman and Managing Director
7 October 2016

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.

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