WE Holdings to focus on commodities businesses with sale of Electronic Components unit at a premium of 25.7%

- **Following the signing of the MOU on 13 July 2014, WE Holdings entered into conditional sale and purchase agreement with associate Jubilee Industries for the sale of WE Components, which generates annual sales of S$72.0 million[1]**

- **Further strengthens Jubilee Industries as a one-stop electronics solution provider to global MNC customers**

- **Going forward, WE Holdings will concentrate on its fast-growing coal and iron ore businesses and Myanmar investments of cement and oil**

Singapore and Hong Kong, 18 July 2014 – WE Holdings Ltd ("WE Holdings" or the "Company" and together with its subsidiaries, the "Group") announced today that it has entered into a sale and purchase agreement to sell its Electronic Components unit, WE Components Pte. Ltd. ("WEC") to associate Jubilee Industries Holdings Ltd ("Jubilee Industries") for a purchase consideration of S$8.3 million[2] and 25.7% premium. Following the non-binding memorandum of understanding ("MOU") signed on 13 July 2014, the sale of WEC fulfils WE Holdings' strategy in streamlining its businesses, with Jubilee Industries managing the Electronic Component business via its one-stop shop and WE Holdings focusing on its fast growing commodities businesses and Myanmar investments.

WE Holdings will be seeking approval from the Shareholders at an extraordinary general meeting of the Company ("EGM") to be convened to approve the proposed sale. A Circular containing the notice of the EGM and details of the proposed acquisitions will be despatched to the Shareholders in due course.

We Holdings' Executive Chairman and Managing Director, Mr Terence Tea commented, "With the management's new strategic direction, the Company's objective is to be repositioned as a commodities player in the market. To that end, the sale of WEC will align us with our strategic direction and enable us channel our efforts and financial resources towards growing our commodities businesses of coal, iron ore, cement and oil. With our streamlined focus, we expect promising growth for the Group."

The purchase consideration, which will be fulfilled in cash, was based on the net tangible asset value ("NTA") of the inventories, plant and equipment of WEC's audited accounts for the financial year ended 31 March 2014 ("FY2014"). On top of the purchase consideration, the sale of WEC includes a cash premium of 25.7%. With

[1] Revenue is based on WE Holdings' FY2014 revenue at an exchange rate of US$1 : S$1.24844
[2] The purchase consideration is based on an exchange rate of US$1 : S$1.24844

the completion of the sale, Jubilee Industries to gain access to the WEC's S$72.0 million[3] Electronic Component business through its distribution channel, design services, as well as system integration facilities.

Jubilee Industries commented, "Following our acquisition of a 26% stake in Malaysia's largest electronic manufacturing services player EG industries, we will integrate its S$250 million[3] procurement segment and R&D arm with our plastic injection moulding platform. With the addition of WEC's S$72.0 million distribution and design expertise, we can now become a one-stop solution provider to enhance our market competitiveness through the delivery of economies of scale, quality and convenience for our global customers. We are expected to yield meaningful contributions for our future performance, while benefiting from lower cost, operational synergy, improved bargaining power and competitive pricing through one integral platform."

Going forward, WE Holdings has classified its commodities businesses into two key business units, namely:

- Coal and Iron Ore
- Cement and Oil

For the Coal and Iron Ore business, the Company secured ready buyers in China with two iron ore Memorandums of Understanding in February 2014. Two shipments, worth an estimated S$3.9 million[4], have since been delivered to China-based Ningbo Foreign Trade Co., Ltd. According to the terms of the MOU signed, the Company could potentially deliver up to 720,000 WMT of iron ore within a year.

For the Cement and Oil business, the Company is currently pending approval from the Myanmar Investment Commission ("MIC") to acquire Dragon Cement Co., Ltd., and for a joint venture with a renowned local businessman, His Excellency Nay Win Tun ("H.E. Nay"), to carry out petroleum operation projects on five targeted oilfields in Myanmar.

Due to industrialization and urbanisation in Myanmar, there is a high demand for cement but there is still a large gap between supply and demand. According to World Cement, Myanmar's cement demand is projected to reach between 11 million and 12.5 million terapascal ("tpa") by 2015, while production capacity will only be at 5 million tpa."

The Company added, "We are optimistic about the vast growth opportunities presented in resources-rich Myanmar. Once we have the approval from MIC, we are poised to be a part of Myanmar's growth story in filling the cement supply gap and conduct our petroleum operations projects for our Cement and Oil business.

Building on the momentum of our iron ore trading, we will continue to explore potential partnerships and export opportunities to rapidly expand our Coal and Iron Ore business. We believe that with the increasing confidence in China's economic outlook and global economic recovery, the demand in commodities will increase and prices will recover. Placing WE Holdings in good stead, we stand to yield meaningful returns from our commodities businesses and Myanmar investments."

-The End-

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[3] EG Industries' procurement segment value of S$250 million is based on the segment's FY2013 revenue using an exchange rate of RM1 : S$0.391654.

[4] The contract value is derived based on an exchange rate of US$1 : S$1.24844. and estimate based on the agreed price of US$57.0 per DMT, at an 8.00% maximum moisture content. The actual contract value will depend on various factors, such as the Fe and moisture content upon shipment.

About WE Holdings Ltd

Identifying growth opportunities in the regional market, We Holdings embarked on its diversification strategy into the commodities sector. As such, the Group has streamlined the commodities businesses into two key units, namely:

- Coal and Iron Ore
- Cement and Oil

For the Coal and Iron Ore business, the commodities will be traded mainly in China with the Group seeking to expand beyond China in the near-mid-term. We have since commenced the iron ore business with the first shipment delivered in February 2014.

For the Cement and Oil business, the Group intends to acquire shares in Dragon Cement Co., Ltd, a company that is principally engaged in the business of cement manufacturing, and is majority-owned by His Excellency Nay Win Tun ("H.E Nay Win Tun"). H.E Nay Win Tun is a prominent Myanmar businessman and the Chairman of the Ruby Dragon Group of companies.

Riding on the vast opportunities present in Myanmar, WE Holdings' also has a proposed joint venture with WE Dragon Resources Pte. Ltd. to assess potential petroleum, oil and gas, and related resources business opportunities in Myanmar. Both proposed acquisition and joint venture are currently pending approval from Myanmar Investment Commission.

In addition to the above, the Group will explore opportunities in the exploration, extraction/mining and trading of energy and metal resources and the production and trading of sand and steel, subject to shareholders' approval.

About Jubilee Industries Holdings Ltd

On 27 May 2014, We Holdings acquired a cumulative 24.9% stake in Catalist-listed Jubilee Industries Holdings Ltd ("Jubilee Industries") for an aggregate consideration of S$14.0 million with the objective to establish a one-stop solution business model to accelerate the growth of its Electronic Components business.

Jubilee Industries is a provider of precision mould design and fabrication, injection moulding and value-added services. It provides design, fabrication and sale of precision plastic injection moulds, precision plastic injection moulding ("PPIM") services and other PPIM-related value added services for consumer electronics, computer peripherals, automotive and household appliances. Headquartered in Singapore, its production facilities span across Malaysia and the People's Republic of China, and its products are sold to customers in the United States, Singapore, Europe and Malaysia.

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This press release 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 press release.

This press release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this press release, including the correctness of any of the statements or opinions made or reports contained in this press release.

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