JUBILEE INDUSTRIES HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200904797H)

PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS CUM WARRANTS ISSUE

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1. INTRODUCTION

1.1 The Board of Directors ("**Board**" or "**Directors**") of Jubilee Industries Holdings Ltd. (the "**Company**" and together with its subsidiaries, the "**Group**") is pleased to announce that the Company is proposing a renounceable non-underwritten rights cum warrants issue of up to 117,364,622 new ordinary shares in the capital of the Company ("**Rights Shares**") at an issue price of S$0.06 for each Rights Share ("**Issue Price**"), with up to 117,364,622 free detachable warrants ("**Warrants**"), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company ("**Warrant Share**") at an exercise price of S$0.06 for each Warrant Share ("**Exercise Price**"), on the basis of one (1) Rights Share with one (1) Warrant for every two (2) existing ordinary shares in the capital of the Company ("**Shares**"), held by the shareholders of the Company ("**Shareholders**") as at a date and time to be determined by the Directors for the purpose of determining the entitlement of the Entitled Shareholders (as defined below) ("**Books Closure Date**"), fractional entitlements to be disregarded ("**Rights cum Warrants Issue**").

1.2 The Rights cum Warrants Issue will be undertaken pursuant to the share issue mandate approved by Shareholders at the annual general meeting of the Company held on 28 April 2014.

2. PRINCIPAL TERMS OF THE RIGHTS ISSUE

2.1 **Basis of Provisional Allotment.** The Rights cum Warrants Issue is proposed to be made on a renounceable non-underwritten basis to Entitled Shareholders (defined below) on the basis of one (1) Rights Share with one (1) free detachable Warrant for every two (2) existing Shares, as at the Books Closure Date, fractional entitlements to be disregarded.

2.2 **Issue and Exercise Price.** The Issue Price and Exercise Price of S$0.06 for each Rights Share and each Warrant Share represents a discount of approximately 20.4% to the weighted average price of the Shares on the Catalist Board ("**Catalist**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") as at the date of this announcement.

2.3 **Form and Subscription Rights of the Warrants.** Up to 117,364,622 Warrants will be issued in registered form and will be subject to the terms and conditions to be set out in an instrument by way of a deed poll constituting the Warrants ("**Deed Poll**"). The Warrant will carry the right to subscribe for one (1) Warrant Share at the Exercise Price of S$0.06 for each Warrant Share at any time during the period commencing on and including the date of the issue of the Warrants and expiring at 5:00 pm on the date immediately preceding the second (2^{nd}) anniversary of the date of the issue of the Warrants ("**Exercise Period**"), unless such date is a date on which the register of members of the Company ("**Register of Members**") is closed or is not a day on which Catalist is open for securities trading ("**Market Day**"), in which case the Exercise Period shall end on the date prior to the closure of the Register of Members of the Company or the immediate preceding Market Day, as the case may be, but excluding such period (s) during which the register of holders of Warrants may be closed pursuant to the terms and conditions of

the Warrants as set out in the Deed Poll. The Warrants which have not been exercised after the date of expiry shall lapse and cease to be valid for any purpose.

2.4 **Detachability and Trading of the Warrants.** The Warrants are immediately detachable from the Rights Shares upon issue, and will be issued in registered form and will be listed and traded separately on Catalist after the book-entry (scripless) settlement system, upon the listing and quotation of the Warrants on Catalist, subject to, amongst others, there being an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants.

2.5 **Eligibility of Shareholders to participate in the Rights cum Warrants Issue.** The Company proposes to provisionally allot Rights Shares with Warrants to all the "**Entitled Shareholders**", comprising Entitled Depositors and Entitled Scripholders (both defined below).

2.6 **Entitled Depositors.** Shareholders whose Shares are registered in the name of the Central Depository (Pte) Limited ("**CDP**") and whose securities accounts with CDP are credited with Shares as at the Books Closure Date will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be "**Entitled Depositors**", Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must have, at least five (5) days on which the Exchange is open for securities trading ("**Market Days**") prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

2.7 **Entitled Scripholders.** Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by B.A.C.S. Private Limited ("**Share Registrar**"), will be registered to determine the provisional entitlements of the transferee ("**Scripholder**"), which term shall include a person who is registered as a holder of Shares and whose share certificates are not deposited with CDP) under the Rights cum Warrants Issue. To be "**Entitled Scripholders**", Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have, at least five (5) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents.

2.8 **Foreign Shareholders.** For practical reasons and in order to avoid violation of relevant legislation applicable in countries other than Singapore, the Rights cum Warrants Issue is only made in Singapore and the Rights Share and Warrants will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not at least five (5) Market Days prior to the Books Closure Date, provided to the Company, CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). The Offer Information Statement (details set out below) to be issued for the Rights cum Warrants Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Rights Shares or the Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid. Entitlements to Rights Shares or the Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold "nil-paid" on Catalist after dealings in the provisional allotments of Rights Shares and the Warrants commence.

Such sales may, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto. The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S$10.00. In the event the amount is less than S$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company or CDP and their respective officers in connection therewith. Where such provisional allotments of Rights Shares and the Warrants are sold "nil-paid" on Catalist, they will be sold at such price or prices as the Company may, in its absolute discretion, decide and no Foreign Shareholder shall have any

claim whatsoever against the Company, CDP and their respective officers of such sales or the proceeds thereof, of such provisional allotments of Rights Shares and the Warrants represented by such provisional allotments.

2.9 **Status and Ranking.** The Rights Shares will be payable in full upon acceptance and/or application and, upon allotment and issue, will rank *pari passu* in all respects with the Shares then in issue, save for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which falls before the date of issue of the Rights Shares. The Warrant Shares allotted and issued upon the exercise of the Warrants shall be fully paid and shall rank for any dividends, rights, allotments or other distributions, the Record Date (as defined herein) for which is on or after the relevant date of exercise of the Warrants shall rank *pari* passu in all respect with the then existing issued Shares. For the purpose herein, "**Record Date**" means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which the Shareholders must be registered with the Company or CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions.

2.10 **Provisional Allotments and Excess Applications.** Entitled Shareholders will be at liberty to accept, decline, renounce or trade their provisional allotments of the Rights Shares and the Warrants and will be eligible to apply for Rights Shares and the Warrants in excess of their provisional allotments under the Rights cum Warrants Issue.

Provisional allotments of Rights Shares and Warrants which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares with Warrants (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for excess Rights Shares and Warrants (if any), provided that where there are insufficient excess Rights Shares with Warrants to allot to each application, the Company shall allot the excess Rights Shares with Warrants to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights cum Warrants Issue, or have representation (direct or through a nominee) on the Board will either be ineligible for excess Rights Shares and Warrants, or if eligible, rank last in priority for the rounding of odd lots and allotment of excess Rights Shares and Warrants.

Fractional entitlements to the Rights Shares and Warrants will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company.

The Exercise Price and/or the number of Warrants to be held by each warrantholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issue and certain capital distributions. Any such adjustments shall (unless otherwise provided under the SGX-ST Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") from time to time) be announced by the Company.

2.11 **Option to Scale Down.** Depending on the level of subscription for the Rights Shares with Warrants, the Company will, if necessary, and upon the approval of the Sponsor and/or the SGX-ST, scale down the subscription and/or excess applications for the Rights Shares with Warrants by any of the Shareholders (if such Shareholder chooses to subscribe for its pro rata Rights Shares with Warrants entitlement and/or apply for excess Rights Shares with Warrants) to avoid placing the relevant Shareholder and parties acting in concert with it (as defined in the Singapore Code on Takeovers and Mergers (the "**Code**")) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares with Warrants entitlements fully.

3. SIZE OF RIGHTS CUM WARRANTS ISSUE

3.1 As at the date of this announcement, the existing issued and paid-up share capital of the Company is 234,729,245 Shares ("**Existing Share Capital**").

3.2 For illustration purposes only, based on the assumption that all the Entitled Shareholders subscribe in full for their pro rata Rights Shares with Warrants entitlements under the Rights cum Warrants Issue ("**Maximum Subscription Scenario**"), up to 117,364,622 Rights Shares with 117,364,622 Warrants will be issued under the Rights cum Warrants Issue.

4. RATIONALE AND USE OF PROCEEDS

4.1 **Rationale.** The Rights cum Warrants Issue is proposed to raise funds towards funding the growth and expansion of the Group through acquisitions, investments and improving the Group's general working capital position. In relation to bolstering its general working capital, part of the net proceeds of the Rights cum Warrants Issue will serve to strengthen the Group's financial position and thereby provide the Group with more flexibility and enhance its ability to formulate, strategize and execute its business plans. A stronger financial position will also allow the Group to seize opportunities for business growth and expansion in a timely manner as and when the opportunities arise.

4.2 **Use of Proceeds.** For illustration purposes only and based on the Maximum Subscription Scenario, the estimated net proceeds from subscription of the Rights cum Warrants Issue will be up to approximately S$6,921,877.32, after deducting professionals' and related expenses incurred in connection with the Rights cum Warrants Issue ("**Net Proceeds**"). On the basis of the foregoing, and assuming that all Warrants issued are exercised, the estimated gross proceeds from the exercise of the Warrants ("**Exercise Proceeds**") will be approximately S$7,041,877.32.

The Company intends to use the Net Proceeds in the following proportions:-

Use of Net Proceeds	**Proportion (%)**	**Maximum Subscription Scenario ($'000)**
Funding the growth and expansion of the Group through acquisitions, investments	30	2,077
General working capital	70	4,845
Total	100	6,922

As and when the Warrants are exercised, the Exercise Proceeds raised may, at the discretion of the Directors, be applied as follows: 30% or S$2,112,563.20 towards funding the growth and expansion of the Group through acquisitions, investments and 70% or S$4,929,314.12 towards general working capital.

Pending the deployment of Net Proceeds and/or Exercise Proceeds, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may in their absolute discretion deem fit.

The Company will make periodic announcements on the utilisation of Net Proceeds and/or Exercise Proceeds as and when such proceeds are materially disbursed, and provide a status

report on the use of the proceeds raised 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 proceeds have been used for working capital, the Company will provide a breakdown with specific details on how the proceeds have been applied in the announcements and status reports. Where there is a material deviation in the use of proceeds, the Company will also state the reasons for such deviation.

In view of the Rights Shares and Warrant Shares being priced at a discount of approximately 20.4% to the weighted average price of S$0.0754 of the Shares on Catalist as at the date of this announcement, and the savings in costs by the Company in respect of underwriting fees, the Company has decided to proceed with the Rights cum Warrants Issue on a non-underwritten basis.

5. OFFER INFORMATION STATEMENT

The terms and conditions of the Rights cum Warrants Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Rights cum Warrants Issue will be contained in the Offer Information Statement to be lodged with the SGX-ST, acting as agent on behalf of the Monetary Authority of Singapore and despatched to Entitled Shareholders in due course.

6. APPROVALS

The Rights cum Warrants Issue is subject to, *inter alia*, (i) the receipt of the listing and quotation notice from the SGX-ST for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on Catalist, and (ii) lodgement of the Offer Information Statement with the SGX-ST (acting as agent of the Monetary Authority of Singapore).

RHT Capital Pte. Ltd., acting as Sponsor to, and on behalf of, the Company, will submit an additional listing confirmation to the SGX-ST for permission for the listing and quotation of the Rights Shares, the Warrants and the Warrant Shares on Catalist. An appropriate announcement will be made in due course to notify Shareholders when the listing and quotation notice is obtained.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

WE Holdings Ltd. has an aggregate direct interest of 26.8% in the Company. Mr. Terence Tea Yeok Kian, Executive Chairman and Managing Director of WE Holdings Ltd, is also an Executive Director and Chief Executive Officer of the Company.

Save as disclosed in this announcement, none of the Directors and substantial Shareholders has any interests, direct or indirect, in the Rights cum Warrants Issue, other than through their respective shareholding interests in the Company.

8. CONFIRMATION BY DIRECTORS

The Directors are of the opinion that, after taking into consideration the cash at bank balances, the present bank facilities and net proceeds from the Rights cum Warrants Issue, the working capital available to the Group is sufficient to meet its present requirements.

9. RESPONSIBILITY STATEMENT

The 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 Rights cum Warrants Issue, 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

Foo Say Tun
Non-Executive Chairman and Independent Director

12 August 2014

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 the 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.

The contact person for the Sponsor is:-

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