CIRCULAR DATED 13 JUNE 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This circular (the "**Circular**") is circulated to the shareholders of Jubilee Industries Holdings Ltd. (the "**Company**"). The purpose of this Circular is to provide shareholders of Jubilee Industries Holdings Ltd. with relevant information pertaining to and to seek shareholders' approval for the Proposed Disposal (as defined in this Circular) to be tabled at the Extraordinary General Meeting of the Company to be held by electronic means on 5 July 2023 at 10.00 a.m.

The Notice of the Extraordinary General Meeting (the "**Notice of EGM**") and the Proxy Form are enclosed.

If you are in any doubt about this Circular, or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Circular, the Notice of EGM and the Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

The legal advisers appointed by the Company for the purpose of the corporate action set out in this Circular is WNLEX LLC.

This Circular has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

The contact person for the Sponsor is Mr Jerry Chua - Registered Professional, 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906, (65) 6241 6626

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

JUBILEE INDUSTRIES HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200904797H)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED DISPOSAL OF 86% OF THE ISSUED AND PAID UP SHARE CAPITAL OF WE COMPONENTS PTE. LTD. AS A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE CATALIST RULES.

IMPORTANT DATES AND TIMES

Last date and time to pre-register online to attend the EGM	:	3 July 2023 at 10.00 a.m.
Last date and time for lodgement of Proxy Form	:	3 July 2023 at 10.00 a.m.
Date and time of the EGM	:	5 July 2023 at 10.00 a.m.
Place of the EGM	:	10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564.

CONTENTS

Page

DEFINITIONS **4**

LETTER TO SHAREHOLDERS **6**

1. INTRODUCTION **6**

2. INFORMATION ON WEC AND THE PURCHASER **6**

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL **8**

4. DISCLOSURE UNDER CHAPTER 10 OF THE LISTING MANUAL **9**

5. FINANCIAL EFFECTS **10**

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS **11**

7. DIRECTORS' RECOMMENDATION **12**

8. EXTRAORDINARY GENERAL MEETING **12**

9. ACTION TO BE TAKEN BY SHAREHOLDERS **12**

10. DIRECTORS' RESPONSIBILITY STATEMENT **12**

11. DOCUMENTS AVAILABLE FOR INSPECTION **13**

APPENDIX 1 – VALUATION REPORT **14**

Unless otherwise stated, the following definitions will apply throughout this Circular:

"**Board**"	:	The Board of Directors of the Company
"**Catalist Rules**"	:	Section B: Rules of Catalist of the Listing Manual of SGX-ST, as amended or modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Circular**"	:	This Circular to Shareholders dated 13 June 2023
"**Companies Act**"	:	The Companies Act 1967, as amended or modified from time to time
"**Company**"	:	Jubilee Industries Holdings Ltd.
"**Constitution**"	:	The constitution of the Company, as may be amended or modified from time to time
"**Directors**"	:	The Directors of the Company as at the date of this Circular
"EGM"		The extraordinary general meeting of the Company to be held by electronic means on 5 July 2023 at 10.00 a.m.
"First SPA"	:	The Sale and Purchase Agreement between the Company and the Purchaser dated 21 June 2022
"**FY**"	:	Financial year ending 31 March
"**Group**"	:	The Company and its Subsidiaries
"Independent Valuer"	:	Chay Corporate Advisory Pte. Ltd.
"**Initial Purchase Price**"		US$2.1 million being the consideration of the Sale Shares
"Initial Sale Shares"	:	3,846,751 WEC Shares (being 14% of the issued and paid up capital of WEC as at the date hereof)
"**Latest Practicable Date**"	:	1 May 2023 being the latest practicable date prior to the printing of this Circular
"**Market Purchase**"	:	An on-market purchase of Share by the Company effected on the SGX-ST through one or more duly licensed stockbrokers or dealers appointed by the Company for the purpose
"**NTA**"	:	Net tangible assets
"Proposed Disposal"	:	The proposed disposal by the Company of the Sale Shares to the Purchaser for a cash consideration of USD 15,892,519 (approximately SGD 21,423,651 based on the exchange rate of USD 1:SGD 1.3486)
"Purchaser"	:	UPC Electronics Pte Limited

"Sale Shares"	:	23,630,046 WEC Shares representing 86% of the issued and paid up capital of WEC
"**Securities Account**"	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Shareholder(s)**"	:	Registered holders of Shares except that where the registered holder of CDP, the term "**Shareholder(s)**" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
"**Share(s)**"	:	Ordinary shares in the share capital of the Company
"**SPA**"	:	The Sale and Purchase Agreement between the Company and the Purchaser dated 22 March 2023
"**Substantial Shareholder**"	:	A person who has an interest in not less than five per cent (5%) of the issued voting shares of the Company
"**Valuation Report**"	:	Independent valuation report dated 20 April 2023 by the Independent Valuer in relation to the valuation of WEC as at 31 December 2022, as set out in Appendix A to this circular
"**WEC**"	:	WE Components Pte. Ltd. (UEN: 199707469R), a subsidiary of the Company
"**WEC Shares**"	:	Ordinary shares of WEC

Currencies, Units and Others

"**SGD**" and "**cents**"	:	Singapore dollars and cents, respectively, being the lawful currency of the Republic of Singapore
"**USD**"	:	United States dollars, being the lawful currency of the United States
"**%**" or "**per cent**"	:	percentage or per centum

The expressions "**associate**", "**associated company**", "**related entity**", "**related corporation**", "**subsidiary**", "**Controlling Shareholders**" and "**Substantial Shareholder**" shall have the meaning ascribed to them respectively in the Fourth Schedule of the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, the Companies Act and the Catalist Rules.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalist Rules or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalist Rules or modification as the case may be.

Any reference to a time of day in this Circular shall be a reference to Singapore time unless otherwise stated. All discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

LETTER TO SHAREHOLDERS
JUBILEE INDUSTRIES HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration No. 200904797H)

Board of Directors:	**Registered Office:**
Dato' Terence Tea Yeok Kian (*Executive Chairman and Chief Executive Officer*) Ng Siew Hoong (*Independent Director*) Cheong Keng Chuan, Alfred (*Lead Independent Director*) Levin Lee Keng Weng *(Independent Director)*	10 Ubi Crescent, Ubi Techpark Lobby E #03-94-96 Singapore 408564

13 June 2023

To: The Shareholders of Jubilee Industries Holdings Ltd.

Dear Sir/Madam

1. INTRODUCTION

1.1 We refer to (a) the notice of the Extraordinary General Meeting to the Shareholders of the Company dated 13 June 2023 (the "**Notice of EGM**"), convening the EGM to be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on 5 July 2023 at 10.00 a.m., and (b) ordinary resolution No. 1 set out in the Notice of EGM.

1.2 On 21 June 2022, the Company announced that it had entered into a sale and purchase agreement dated 21 June 2022 between the Company and UPC ("**First SPA**"). Under the First SPA, the Company had agreed to sell to the Purchaser the Initial Sale Shares (being 14% of the issued and paid up capital of WEC as at the date hereof) at the Initial Purchase Price (being US$2.1 million) ("**First Disposal**"). Please refer to the SGX Announcement dated 21 June 2022 for more information. The Company also wishes to update the shareholders that it has received the Second Payment of US$0.6 million, in addition to the Deposit of US$1.5 million received earlier on 28 February 2022.

1.3 On 11 October 2022, the Company announced that it had on the same day entered into a shareholders' agreement with the Purchaser, subject to the relevant shareholders' approval of the Company.

1.4 On 22 March 2023, the Company announced that it had entered into the SPA for the Proposed Disposal. Following the completion of the Proposed Disposal, WEC will no longer be a subsidiary of the Company.

1.5 The purpose of this Circular is to provide Shareholders with all necessary information pertaining to the Proposed Disposal, and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the EGM.

1.6 The SGX-ST assumes no responsibility for the contents of this Circular, including its correctness of any of the statements or opinions made or reports contained in this Circular.

2. INFORMATION ON WEC AND THE PURCHASER

2.1 <u>Information on WEC</u>

WEC is a private company incorporated in Singapore and its principal business includes the wholesale distribution of electronic parts and electronic communications equipment.

WEC owns the following wholly-owned subsidiaries, all of which have the principal business of trading in electronic components:

(a) WE Microelectronics Pte. Ltd., a company incorporated in Singapore;
(b) WE Components (Penang) Sdn. Bhd., a company incorporated in Malaysia;
(c) WE Components (Shanghai) Co. Ltd., a company incorporated in the People's Republic of China;
(d) WE Components (Shenzhen) Co. Ltd., a company incorporated in the People's Republic of China, which as of the date of this announcement, is dormant;
(e) WE Components (Hong Kong) Limited, a company incorporated in Hong Kong;
(f) WE Components India Pvt. Ltd., a company incorporated in India;
(g) WE Components Co. Ltd, a company incorporated in Thailand; and
(h) Kin Wai Technology Ltd, a company incorporated in the People's Republic of China, which as of the date of this announcement, is dormant.

2.2 Information on the Purchaser

The information on the Purchaser provided below was provided by the Purchaser. The Board has not conducted an independent review or verification of the accuracy of the statements and information below. The Company's responsibility is limited to the proper extraction and reproduction herein in the context that is being disclosed in this announcement.

The Purchaser is incorporated in Hong Kong. The main business of the Purchaser is the promotion and distribution of products and solutions of semiconductor manufacturers in the People's Republic of China and overseas. The Purchaser is an independent third-party who is unrelated to the Company, its directors and controlling shareholders, or their associates.

2.3 Rationale for the Proposed Disposal

The Proposed Disposal will allow the Group to capitalise on growth opportunities, unlock the value of the assets in WEC and re-strategise its financial and capital resources.

The Company intends to utilise the proceeds of the Proposed Disposal to the fullest extent permissible under the laws, the Company intends to return such amount of the sale proceeds to the shareholders in an effective and cost efficient manner.

2.4 Valuation

Pursuant to Rule 1014(5) of the Catalist Rules, the Company has appointed Chay Corporate Advisory Pte. Ltd. as the Independent Valuer to carry out an independent valuation to determine the fair value of the Sale Shares as at 31 December 2022. A copy of the Valuation Report is available as a document for inspection.

The Independent Valuer has relied on an asset-based approach which provides an indication of the value of the subject company by the total fair value of assets less the liabilities and determined the fair value of the Company as at 31 December 2022 is SGD 21.1 million (approximately USD 15.64 million based on the exchange rate of USD 1 : SGD 1.3486 as at March 2023).

Assuming that the Proposed Disposal was completed on 30 September 2022 and based on the unaudited consolidated financial results for the half year ending 30 September 2022, the Proposed Disposal is expected to result in a loss on disposal of SGD 5,868,000.

Shareholders are advised to read and consider the Valuation Report carefully, in particular the terms of reference, key assumptions and critical factors taken into account by the Independent Valuer.

3. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

3.1 Sale Shares

Subject to the terms and conditions of the SPA, the Sale Shares shall, at Completion (as defined below) be free from all encumbrances and together with all rights, entitlements and benefits now and hereafter attaching thereto as of and including the date of Completion (including the right to receive all dividends or distributions declared, made or paid on or after Completion.

3.2 Consideration

Pursuant to the SPA, the aggregate consideration for the Sale Shares is USD 15,892,519 ("**Consideration**"), to be satisfied fully in cash. The Consideration was arrived at after arms' length negotiations between the Company and the Purchaser, on a 'willing-buyer willing-seller' basis, and after taking into consideration the Indicative Valuation.

The Consideration shall be payable by the Purchaser to the Company in the following manner:

(a) subject to the provision of the Terence PG (as defined below), the sum of USD 3,000,000 ("**Upfront Payment**") to be paid within ten (10) business days from the execution of the SPA (which the Company has received);

(b) the sum of USD 7,320,000 ("**Second Payment**") to be paid within ten (10) business days from Completion; and

(c) the sum of USD 5,572,519 ("**Final Payment**") to be paid within fourteen (14) business days from the settlement of any outstanding mortgages by WEC in relation to the Properties.

In the event that WEC's net asset value as at 31 December 2022 as fairly computed by the Purchaser is lower than USD 17,572,519 by more than USD 600,000, the Company and the Purchaser shall negotiate on such amount to be reduced from the Consideration, as appropriate.

3.3 Conditions Precedent

Completion of the Proposed Disposal ("**Completion**") is conditional upon the following conditions (the "**Conditions Precedent**") having been satisfied by the Company or the Purchaser (as the case may be) or waived in writing by the relevant Party:

(a) the completion of the sale and purchase agreement between the Purchaser and the Company dated 21 June 2022;

(b) the completion of due diligence reasonably conducted and its outcome shall be to the satisfaction of the Purchaser which shall not be unreasonably withheld;

(c) the termination of the shareholders' agreement between the Purchaser and the Company dated 11 October 2022;

(d) the execution of a personal guarantee by Mr. Terence Tea Yeok Kian ("**Terence PG**") in favour of the Purchaser as continuing security for the Upfront Payment;

(e) the execution of a personal guarantee by Mr. Xie Lishu in favour of the Company in relation to the Final Payment;

(f) there having been no material breach of any of the warranties set out in the SPA and on the Completion Date and WEC having obtained all necessary and relevant approvals for all transactions under the SPA;

(g) the approval from the board of directors, and the shareholders of the Company and the Purchaser being obtained for the transactions described in the SPA at a general meeting of such shareholders;

(h) the execution and performance of the SPA by the Parties not being prohibited or otherwise adversely affected by any relevant statute, order, rule, directive or regulation promulgated by any legislative, executive or regulatory body or authority, the SGX-ST or the Shenzhen Stock Exchange (as the case may be); and

(i) that each of the representations and warranties of each Party under the SPA shall remain true and not misleading in all material respects at the Completion Date and at all times between the date of the SPA and the Completion Date.

3.4 Completion

Subject to the terms and conditions of the SPA, Completion shall take place on the second business day (or such other date as mutually agreed between the Company and the Purchaser) from the fulfilment (or waiver) of all the Conditions Precedent to the satisfaction of the relevant Parties and in full reliance of the Warranties (as defined below) ("**Completion Date**").

The Company and the Purchaser shall take all steps necessary to satisfy the Conditions Precedent promptly, and in any event, no later than 31 August 2023 or such other date as the Company and the Purchaser may agree in writing ("**Longstop Date**").

In the event that any of the Conditions Precedent is not fulfilled (or waived) by the Longstop Date for any reason, any payments made by the Purchaser to the Company shall be promptly refunded by the Company to the Purchaser in full without interest or deductions whatsoever within ten business days from the written notification by the Purchaser or the Longstop Date (whichever is earlier).

3.5 Other terms of the SPA

The SPA contains customary provisions relating to the Proposed Disposal, including representations and warranties, indemnities and pre-completion covenants regarding the operation of the business, limitations of the Company's liabilities and other commercial terms.

Additionally, in the event that the SPA is terminated by either the Company or the Purchaser, the relevant party shall be liable to pay the other party a break fee of USD 516,000 (being 5% of the aggregate of the Upfront Payment and Second Payment), save where the termination arises from a failure to satisfy (section 3.3(h) above). The Terence PG may be utilised by the Purchaser in the event that Jubilee does not return the Upfront Payment (less any such deduction).

4. DISCLOSURE UNDER CHAPTER 10 OF THE LISTING MANUAL

The relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Disposal are as follows:

		Proposed Disposal
Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group's net asset value(S$'000)	67.64%(1)
Rule 1006(b)	net loss attributable to the assets acquired or disposed of, compared with the group's net loss(2)	9.89%
Rule 1006(c)	aggregate value of the Consideration compared with the Company's market capitalization(3) of SGD 16,031,206	132.40%
Rule 1006(d)	number of equity securities issued by the Company as consideration for the acquisition, compared with the number of equity securities previously in issue	Not applicable(4)

Rule 1006(e)	aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable[(5)]

Notes:-

(1) based on the NAV of the Proposed Disposal being SGD 20,277,000 compared with the Group's NAV of SGD 29,977,000.

(2) based on the net loss attributable to the Proposed Disposal being SGD 298,000 compared with the Group's net loss of SGD 3,013,000.

(3) "**market capitalisation**" is calculated by the number of shares of the Company (excluding treasury shares) multiplied by the volume weighted average market price of SGD 0.051 of the Company's shares as at 21 March 2023, being the market day immediately preceding the date of the SPA, the Group's market capitalization calculated based on the total number of issued shares excluding treasury shares is approximately SGD 16,031,206.

(4) Rule 1006(d) of the Catalist Rules is not applicable as the Proposed Disposal does not involve an issuance of equity securities.

(5) Rule 1006(e) of the Catalist Rules is not applicable as the Company is not a mineral, oil and gas company.

Under Rule 1014 of the Catalist Rule, if any of the relative figures computed on the bases set out in Rule 1006 exceeds fifty per cent (50%), the transaction is classified as a major transaction that must be made conditional upon approval by Shareholders in general meeting.

As the relative figures as computed on the bases set out in Rule 1006(a) and Rule 1006(c) exceed 50%, the Proposed Disposal will be classified as a major transaction under Chapter 10 of the Catalist Rule. The resolution to seek Shareholders' approval for the major transaction is set out in ordinary resolution 1 in the Notice of EGM.

In addition, pursuant to Rule 1014(5) of the Catalist Rules, as the relative figure computed under Rule 1006(a) and 1006(c) exceeds 75%, the Company has appointed the Independent Valuer to carry out an independent valuation of WEC for the purpose of the Proposed Disposal (see paragraph 2.4 above).

5. FINANCIAL EFFECTS

5.1 Bases and Assumptions

For the purposes of illustration only, the following is an analysis and illustration of the proforma financial effects of the Proposed Disposal (aggregated with the First Disposal) on the net tangible assets per share and earnings per share of the Company based on the latest announced audited consolidated financial results for the year ended 31 March 2022. The financial effects set out below are on the following bases and assumptions:

(a) the financial impact on the net tangible assets per share is computed based on the assumption that the Disposal had been effected at 31 March 2022; and

(b) the financial impact on the earnings per share is computed based on the assumption that the Disposal had been effected on 1 April 2021

5.2 NTA

	Before the Proposed Disposal	After the Proposed Disposal	After the Proposed Disposal (and First Disposal)
Consolidated NTA attributable to shareholders of the Company ("**Shareholders**") (SGD'000)	32,240	34,278	33,959
Weighted Average Number of Shares ('000) (excluding treasury shares)	293,421,800	293,421,800	293,421,800
NTA per Share (SGD cents)	10.99	11.68	11.57

5.3 Earnings Per Share

	Before the Proposed Disposal	After the Proposed Disposal	After the Proposed Disposal (and First Disposal)
Loss for the period attributable to equity holders of the Company (SGD'000)	(4,804)	(11,173)	(12,860)
Weighted Average Number of Shares ('000) (excluding treasury shares)	293,421,800	293,421,800	293,421,800
Loss per Share (SGD cents)	(1.64)	(3.81)	(4.38)

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 As at the Latest Practicable Date, none of the Directors, except the Executive Chairman and Chief Executive Officer, Terence Tea Yeok Kian have any direct or indirect interests in the issued and paid up share capital of the Company as per the Register of Directors' Shareholdings maintained pursuant to Section 164 of the Companies Act.

The interests of Substantial Shareholders in the issued and paid-up share capital of the Company as recorded in the Register of Substantial Shareholders maintained pursuant to Section 88 of the Companies Act are as follows:

Name	Direct Interest		Deemed Interest	
	Number of Shares	% of total issued Shares	Number of Shares	% of total issued Shares
Accrelist Ltd	166,818,931	53.31	-	-
Terence Tea Yeok Kian(1)	172,500	0.055	166,991,331	53.37

(1) Terence Tea Yeok Kian is deemed to be interested in 166,818,931 Shares held by Accrelist Ltd, pursuant to Section 7 of the Companies Act by virtue of his and his spouse's shareholdings in Accrelist Ltd.

Mr Terence Tea Yeok Kian, the Executive Chairman and Chief Executive Officer of the Company, is also the Executive Chairman and Managing Director of Accrelist.

Save as disclosed above, none of the Directors and Substantial Shareholders of the Company has any interests, direct or indirect, in the Proposed Disposal, (other than in their capacity as Director or Shareholder of the Company).

7. DIRECTORS' RECOMMENDATION

7.1 Save for Terence Tea Yeok Kian, the Directors, having considered and reviewed, among other things, the rationale and benefits of the Proposed Disposal and all other relevant information set out in this Circular, are of the opinion that the Proposed Disposal is in the best interest of the Shareholders and the Group, and accordingly recommend Shareholders to vote in favour of the ordinary resolution relating to the Proposed Disposal, as set out in the Notice of the EGM.

8. EXTRAORDINARY GENERAL MEETING

8.1 The EGM, notice of which is set out in the Notice of EGM, will be held at 10 Ubi Crescent, #02-07 Ubi Techpark Lobby A, Singapore 408564 on 5 July 2023 at 10.00 a.m., for the purpose of considering and, if thought fit, passing (with or without modifications) the ordinary resolution relating to the Proposed Disposal as set out in the Notice of EGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote at the EGM on their behalf should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712, not less than 48 hours before the time fixed for the EGM or any postponement or adjournment thereof. The appointment of a proxy by a Shareholder does not preclude him/her/it from attending and voting in person at the EGM if he/she/it wishes to do so.

9.2 Members may raise questions at the EGM or submit questions related to the resolutions to be tabled for approval at the EGM, in advance of the EGM. For members who would like to submit questions in advance of the EGM, they may do so by, 20 June 2023 (being seven (7) calendar days from the date of the Notice of EGM),

(a) in hard copy by depositing the same at the registered office of the Company at 10 Ubi Crescent #03-94-96 Ubi Techpark Singapore 408564.

Members submitting questions are requested to state: (i) their full name; and (ii) the member's identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to address all substantial and relevant questions submitted by shareholders by 29 June 2023 after trading hours. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The Company will publish the responses to such questions together with the minutes of the EGM on SGXNet and our corporate website within one (1) month after the date of the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company located at 10 Ubi Crescent, #03-94-96 Ubi Techpark, Singapore 408564 during normal business hours (9.00 a.m. to 5.00 p.m.) for three (3) months from the date of this Circular:

(a) the Constitution of the Company;

(b) the SPA; and

(c) the Valuation Report.

Yours faithfully,
For and on behalf of the Board of Directors of
Jubilee Industries Holdings Ltd.

Terence Tea Yeok Kian
Executive Chairman and Chief Executive Officer
13 June 2023

APPENDIX 1 – VALUATION REPORT

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WE Components Pte. Ltd.

Indicative Corporate Valuation

20 April 2023

Private & Confidential

蔡CHAY
CORPORATE ADVISORY

20 April 2023

Chay Corporate Advisory Pte. Ltd.
531 Upper Cross Street
#02-05 Hong Lim Complex
Singapore 050531

Tel: (65) 6225 2938
Email: info@chay.com.sg

Jubilee Industries Holdings Ltd.
10 Ubi Crescent
#03-95 Ubi Techpark Lobby E
Singapore 408564

Dear Sirs,

Indicative corporate valuation of WE Components Pte. Ltd. as at 31 December 2022

In accordance with Jubilee Industries Holdings Ltd.'s ("Jubilee") instructions, and as confirmed in our engagement letter dated 20 February 2023, we have undertaken an indicative corporate valuation of its subsidiary, WE Components Pte. Ltd. ("WEC" or the "Company") as at 31 December 2022 for the purpose of a proposed divestment by Jubilee in accordance with the International Valuation Standards ("IVS") as prescribed by the International Valuation Standards Council ("IVSC").

This report is intended solely for Jubilee's use, and should not be disclosed to any other person without our prior written consent. We accept no duty of care to any third party for this report. Accordingly, regardless of the form of action, whether in contract, tort or otherwise, and to the extent permitted by applicable law, Chay Corporate Advisory Pte. Ltd. ("CCA") accepts no liability of any kind to any third party and disclaims all responsibility for the consequences of any third party acting or refraining to act in reliance on the report.

The information used by CCA in preparing this report has been obtained from a variety of sources as indicated within the report. While our work has involved analysis of financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided to us by and on your behalf.

The management of Jubilee and the Company has reviewed a draft version of this report and has confirmed that the information provided to us is accurate and that no significant information essential to our report has been withheld.

Budgets/forecasts/projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual results achieved will correspond to those budgeted/forecasted/projected.

By its very nature, valuation work cannot be regarded as an exact science and the conclusions arrived at in many cases will of necessity be subjective and dependent on the exercise of individual judgement. We may express our opinion as falling within a likely range where applicable. Although our conclusions are in our opinion reasonable and defensible, others might wish to argue for a different value.

If you require any clarification or further information, please do not hesitate to contact Mr. Chay Yiowmin, CVA at (65) 6225 2938 or yiowmin@chay.com.sg.

Yours faithfully

Chay Corporate Advisory Pte Ltd

Chay Corporate Advisory Pte. Ltd.

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Glossary of Terms

Abbreviation	Definition
DCF	Discounted Cash Flow
CAGR	Compound Annual Growth Rate
CCA	Chay Corporate Advisory Pte. Ltd.
FCF	Free Cash Flow
FY	Financial Year Ended / Ending
GDP	Gross Domestic Product
Jubilee	Jubilee Industries Holdings Ltd.
Management	The management of the Company
Mgt A/c	Management accounts
NAV	Net Asset Value
NWC	Net Working Capital
SGD	Singapore Dollar
USD	United States Dollar
Valuation Date	31 December 2022
WACC	Weighted Average Cost of Capital
WEC or the Company	WE Components Pte. Ltd.

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Contents

Section	Page
I. Executive Summary	5
II. Terms of Reference	7
III. Background	10
IV. Economic and Industry Outlook	12
V. Financial Information	17
VI. Approach and Valuation Methodology	21
VII. Asset-Based Approach	25

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Section I

Executive Summary

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Executive Summary

Introduction

- Chay Corporate Advisory Pte. Ltd. ("CCA") has been engaged by Jubilee Industries Holdings Ltd. ("Jubilee") to provide an indicative valuation of its subsidiary, WEC Components Pte. Ltd. ("WEC" or the "Company") as at 31 December 2022 ("Valuation Date") for the purpose of a proposed divestment by Jubilee.

Indicative Valuation

- The valuation has taken into consideration the values implied by the asset based approach.

Valuation Approach

- In valuing the Company, CCA has adopted the asset based approach.
- The income approach and market approach are not appropriate for the valuation of the Company due to the following reasons:
  - Culminating with the ongoing war in Ukraine affecting the global supply chain, WEC's revenue has decreased significantly resulting in the Company incurring losses for the nine months from 1 April to 31 December 2022.
  - As there is currently "no end in sight" in respect of the war in Ukraine, Management continues to forecast losses for the next three to five years; and
  - The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

Valuation Summary

Indicative Valuation in SGD	
	Asset-Based Approach
WE Components Pte. Ltd.	Approximately SGD 21.1 million

Source: CCA analysis

- Based on the asset-based approach, the Company is in aggregated net assets of SGD 21.1 million as at 31 December 2022.
- Accordingly, the fair value of the Company derived based on the asset-based approach is approximately SGD 21.1 million as at the Valuation Date.

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Section II

Terms of Reference

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Terms of Reference

Chay Corporate Advisory Pte. Ltd. ("CCA") has been engaged by Jubilee to provide an indicative valuation of its subsidiary, WEC as at 31 December 2022 for the purpose of a proposed divestment by Jubilee of WEC in accordance with the International Valuation Standards ("IVS") as prescribed by the International Valuation Standards Council ("IVSC").

We have not undertaken any due diligence or audit of the financial information provided to us. The accuracy of such information is the sole responsibility of the Management.

Our estimation of the indicative valuation of the Company is based on its existing operations and likely future expansion plans only, and does not take into account of any fundamentally different business that Management may pursue in the foreseeable future.

The basis of the valuation will be made by reference to the fair value.

Fair value is defined as the amount at which the shares would change hands between a knowledgeable willing buyer and a knowledgeable willing seller, neither being under a compulsion to buy or sell. Fair value, as defined above, is a concept of value which may or may not equal the "purchase / sale price" that could be obtained if the shares were sold to a special purchaser in an actual transaction in the open market. Special purchasers may be willing to pay higher prices to gain control or obtain the capacity to reduce or eliminate competition, ensure a source of material supply or sales, achieve cost savings arising on business combinations following acquisition, or any other synergies which may be enjoyed by the purchaser. Our valuation will not be premised on the existence of a special purchase.

We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this valuation report does not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of this transaction is solely the responsibility of the Management. In addition, our work should not be construed as an investment advice to the current or prospective shareholders / investors of Jubilee and the Company.

We have not conducted a comprehensive review of the business, operation or financial conditions of the Company nor any work in relation to the feasibility or tax efficiency of the Company's business operation, and accordingly our Valuation Report will not make any representation or warranty, expressed or implied in this regard.

Our scope in this engagement does not require us to express, and we do not express a view on the future prospects of the Company, or any views on the future trading process of the shares or the financial condition of the Company.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advise, and where we will consider, and where appropriate, relied upon such advice.

Our work will be carried out solely for the use of the Company. This valuation report resulting from our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advises acting in that capacity) without our prior written consent (including without limitation, the shareholder of Jubilee and the Company).

Terms of Reference

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Management and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by the Management, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management has confirmed to us, upon making all reasonable enquires and to your best knowledge and belief that the information provided to us constitute full and true disclosure, in all material aspects and facts relating to the Company as required for the purpose of our valuation.

In no circumstances shall we be liable, other than in the event of our bad faith, willful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by any person of whom we have made inquiries of during the course of our work.

To the extent that there are legal issues relating to assets, properties or business interests or issues relating to compliance with applicable laws, regulations and policies, CCA assumes no responsibility and offers no legal opinion or interpretation on any issue.

Section III

Background

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Background

Overview of WE Components Pte. Ltd. ("SEV")

- Jubilee is a one-stop solutions provider of electronics components, precision plastic injection moulding ("PPIM"), and mould design and fabrication services ("MDF").
- WEC, under Jubilee's Electronics Business Unit ("EBU"), specialises in providing integrated electronic component distribution services and modular design fabrication.
- WEC is principally engaged in the distribution of active, passive, electro-mechanical components and connectors to electronic manufactures, which includes original equipment manufacturers ("OEM") and electronics manufacturing services providers ("EMS").
- WEC also provides value-added services in engineering designs and vendor-managed inventory ("VMI") through its sales network of 11 regional offices, serving more than 1,000 customers in Singapore and across Asia.

Section IV

Economic and Industry Outlook

Economic Outlook

Singapore

Gross Domestic Product ("GDP")

- The Singapore economy grew by 4.4% on a year-on-year basis in the second quarter of 2022, faster than the 3.8% growth recorded in the previous quarter of 2022. On a quarter-on-quarter seasonally-adjusted basis, the economy contracted slightly by 0.2%, a reversal from the 0.8% expansion in the first quarter of 2022[1]. For the third quarter of 2022, the Singapore economy grew at a slower pace of 4.1% on a year-on-year basis as compared to the previous quarter of 2022[2]. This was further moderated to 2.2% on a year-on-year basis for the fourth quarter of 2022[3].
- Since May 2022, the global economic environment has deteriorated further. Stronger than-expected inflationary pressures and the more aggressive tightening of monetary policy in response are expected to weigh on growth in major advanced economies such as the United States and the Eurozone.
- Meanwhile, China continues to grapple with a deepening property market downturn and recurring domestic COVID-19 outbreaks. Notwithstanding recent signs of a slight easing in the global supply disruptions, coupled with China taking a cautious approach in re-opening its borders to the rest of the world, the disruptions are likely to persist for the rest of the year as underlying factors such as the Russia-Ukraine conflict continue to grapple the global economy.
- The external demand outlook for the Singapore economy has weakened as compared to the second quarter of 2022. At the same time, downside risks in the global economy remain significant.

[1] Source: Ministry of Trade and Industry *(11 August 2022), MTI Narrows Singapore's GDP Growth Forecast for 2022 to "3.0 to 4.0 Per Cent"*
[2] Source: Trading Economics *(23 November 2022)*, Singapore Q3 GDP Annual Growth Revised Lower
[3] Source: Ministry of Trade and Industry *(3 January 2023), Singapore's GDP Grew by 2.2 Per Cent in the Fourth Quarter of 2022 and by 3.8 Per Cent in 2022*

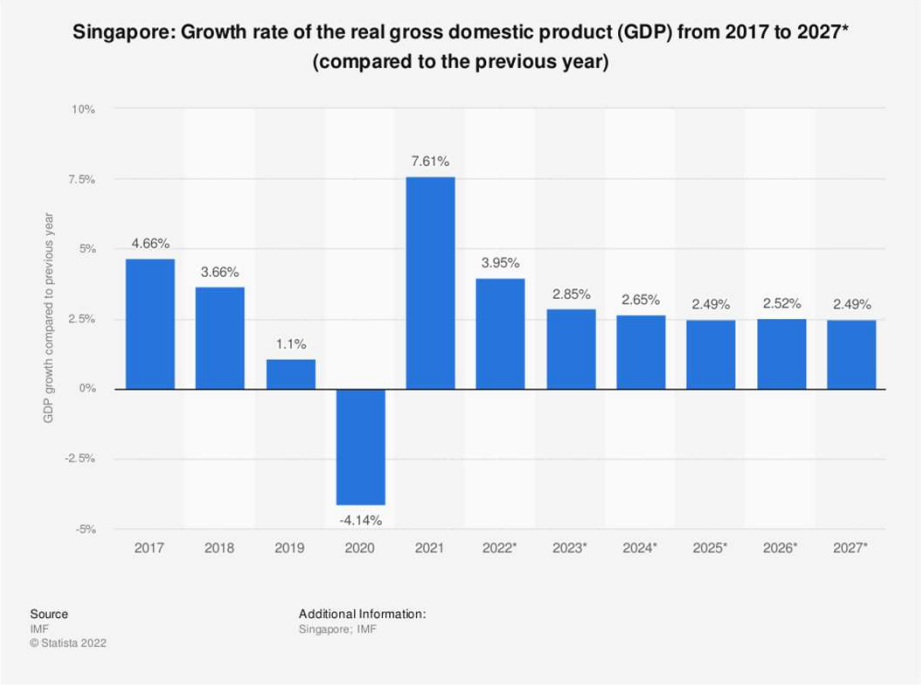
- First, further escalations in the Russia-Ukraine conflict could worsen global supply disruptions and exacerbate inflationary pressures through higher food and energy prices. More persistent and higher-than-expected inflation would dampen global growth further, including through even more aggressive monetary policy tightening in many advanced economies.
- Second, financial stability risks could intensify if there are disorderly market adjustments to monetary policy tightening in the advanced economies. In particular, the onset of large capital outflows from regional economies with high dollar-denominated debt levels could lead to tighter financial conditions and affect growth in these economies.
- Third, there is a risk that geopolitical tensions in the region could escalate and lead to further disruptions in supply chains. Fourth, the trajectory of the COVID-19 pandemic remains a risk, given the potential emergence of more virulent strains of the virus.
- Domestically, Singapore has transited to living with COVID-19 with the progressive removal of almost all of its domestic and border restrictions. This has in turn supported the recovery of segments of the Singapore economy that had been badly affected by the pandemic.
- Against this backdrop, the outlook for some outward-oriented sectors in the Singapore economy has weakened. China being a key market for petroleum and chemicals products from Singapore, the weakness in its economic outlook has adversely affected the growth prospects of Singapore's chemicals cluster and the fuels & chemicals segment of the wholesale trade sector[1].

Economic Outlook

Singapore

Gross Domestic Product ("GDP") (Continued)

- Taking into account the performance of the Singapore economy in the first half of 2022, as well as the latest global and domestic economic developments, the Ministry of Trade and Industry ("MTI") has further narrowed the GDP growth forecast for 2022 to "3.0 to 4.0 per cent", from "3.0 to 5.0 per cent"[1].



*Source: Statista, Singapore: Growth rate of the real gross domestic product (GDP) from 2017 to 2027**

[1] Source: Ministry of Trade and Industry *(11 August 2022), MTI Narrows Singapore's GDP Growth Forecast for 2022 to "3.0 to 4.0 Per Cent"*

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Economic Outlook

Singapore

Inflation

- Singapore's core inflation reached a new high of 5.1% in August 2022, the highest since November 2008. The Monetary Authority of Singapore ("MAS") core inflation excludes accommodation and private transport. Headline inflation reached 7.5%.
- Across most categories, prices have increased across the board. Despite the easing in global supply chain snarls and commodity prices stabilising, MAS expects global inflation to stay elevated.
- Imported inflation is likely to continue in the near term. For the full year, MAS expects CPI-All Items inflation to come in at 5.0% to 6.0%, and MAS Core Inflation at 3.0% to 4.0%[1].
- Singapore's inflation rate is expected to be 7.70% by the end of the third quarter of 2022, according to Trading Economics global macro models and analysts expectations.
- In the long-term, the Singapore's inflation rate is projected to trend around 4.50% in 2023 and 4.00% in 2024[2].

Singapore: Inflation Rate (%)



Source: Tradingeconomics.com; and Statistics Singapore

[1] *Source: Dollars & Sense (5 October 2022), Singapore's Core Inflation In August 2022 Hits A 14- Year High: What Is More Expensive?*
[2] *Source: Trading Economics (2022), Singapore Inflation Rate https://tradingeconomics.com/singapore/inflation-cpi*

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Industry Outlook

Electronic Components Industry

Global

- The global general electronic components market is expected to grow from USD 484.99 billion in 2021 to USD 541.95 billion in 2022 at a compound annual growth rate ("CAGR") of 11.7%.
- The growth is mainly due to the companies rearranging their operations and recovering from the COVID-19 impact, which had earlier led to restrictive containment measures involving social distancing, remote working, and the closure of commercial activities that resulted in operational challenges. The market is expected to reach USD 805.88 billion in 2026 at a CAGR of 10.4%.
- Asia Pacific was the largest region in the general electronic components market in 2021. North America was the second-largest region in the general electronic components market.
- Asia-Pacific was the major market in general electronic components with China leading the Asia Pacific market due to the presence of largest chip designers, chipmakers and other critical components that are used in laptops, smartphones, and internet of things ("IoT") applications.
- Due to an increase in demand for electronics components in various applications such as automotive, IoT, smart devices and others, there is a shortage of electronic components supply, is expected to restrain the growth of the general electronic components market in the forecast period.
- According to the IoT Analytics, at the end of 2020, 11.7 billion, or 54% of the 21.7 billion active linked devices globally will be IoT system connections. More than 30 billion IoT connections, approximately 4 IoT devices per person on average, are projected to exist by 2025 [1].

Singapore

- The electronics industry is currently the largest manufacturing sub-sector in Singapore, contributing 8% to the country's annual gross domestic product ("GDP"). The manufacturing industry as a whole accounts for approximately 21% of GDP and 450,000 workers, making it one of Singapore's largest employers.
- As electronics manufacturers around the world experience an increase in their operational costs, China's strict "zero-COVID" policy throughout 2021 slowed down domestic demand for electronic products, thereby affecting its trading partners, including Singapore.
- Nevertheless, Singapore based semiconductor companies have continued to expand operations. In fact, Singapore is transforming into one of the most important semiconductor manufacturing hubs in Southeast Asia. It accounts for nearly 5% of the world's wafer fabrication capacity and has a 19% share of the global semiconductor equipment market.
- The country also has 21 wafer fabrication plants operated by major global IC companies and serves as a production base for Micron, NXP, and SSMC.
- In June 2021, GlobalFoundries announced plans to invest USD 4 billion in a new semiconductor factory in Singapore that will increase its annual capacity by 450,000 wafers.
- In October 2021, Germany based Siltronic invested USD 2.2 billion in its Singapore-based operations, which created 600 jobs and made Singapore one of the largest suppliers of high-end silicon substrates in the world. Both France-based Soitec and Germany-based Infineon have announced plans to scale up their operations in the city-state as well[2].

[1] Source: GlobalNewswire (25 March 2022), General Electronic Components Global Market Report 2022
[2] Source: DigiTimes Asia. (20 January 2022), Singapore electronics manufacturing industry faces challenges

Section V

Financial Information

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Financial Information

Financial Performance

WE Components Pte. Ltd.'s actual financial performance from FY 2021 to FY 2022 and the nine months financial period from 1 April to 31 December 2022 are set out as follows:

	FY 2021 SGD Audited	FY 2022 SGD Audited	1 Apr to 31 Dec 2022 SGD Unaudited
Revenue	119,855,501	200,656,247	47,558,051
Cost of sales	(114,542,841)	(194,218,642)	(44,386,225)
Gross profit	5,312,660	6,437,605	3,171,826
Gross margin	*4.43%*	*3.21%*	*6.67%*
Other income			
- Interest income	14,998	1,723	250
- Others	282,027	58,742	37,314
Other (losses) / gains			
- Impairment loss on financial assets	(267,635)	(489,679)	-
- Others	95,040	24,861	-
Expenses			
- Administrative	(4,313,806)	(5,232,110)	(4,089,551)
- Marketing and distribution	(206,292)	(161,426)	(232,460)
- Finance	(531,783)	(297,843)	(251,693)
Profit / (Loss) before tax	385,209	341,873	(1,364,314)
Income tax	(26,995)	(2,430)	99,431
Profit / (Loss) for the period	358,214	339,443	(1,264,883)
Profit margin	*0.30%*	*0.17%*	*(2.66%)*

Source: Audited financial statements from FY 2021 to FY 2022 and the management accounts for the nine months financial period from 1 April to 31 December 2022

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Financial Information

Balance Sheet

WE Components Pte. Ltd.'s balance sheet from FY 2021 to FY 2022 and the financial period ended 31 December 2022 are set out as follows:

	31 Mar 2021 SGD Audited	31 Mar 2022 SGD Audited	31 Dec 2022 SGD Unaudited
Non-current assets			
Property, plant and equipment	256,984	355,613	278,282
Intangible assets	1,382,934	1,005,770	722,897
	1,639,918	1,361,383	1,001,179
Current assets			
Trade and other receivables	24,875,661	22,562,933	22,468,518
Other current assets	7,402,534	7,417,437	7,517,843
Inventories	10,994,814	14,418,275	10,207,768
Cash and cash equivalent	5,454,419	3,751,444	2,651,564
	48,727,428	48,150,089	42,845,693
Total assets	**50,367,346**	**49,511,472**	**43,846,872**

Source: Audited financial statements from FY 2021 to FY 2022 and the management accounts for the financial period ended 31 December 2022

Financial Information

Balance Sheet

WE Components Pte. Ltd.'s balance sheet from FY 2021 to FY 2022 and the financial period ended 31 December 2022 are set out as follows:

	31 Mar 2021 SGD Audited	31 Mar 2022 SGD Audited	31 Dec 2022 SGD Unaudited
Equity			
Share capital	27,650,000	27,650,000	27,650,000
Other reserves	3,412,584	3,226,231	4,028,485
Accumulated losses	(7,900,079)	(7,560,636)	(8,825,519)
Total equity	**23,162,505**	**23,315,595**	**22,852,966**
Current liabilities			
Trade and other payable	20,276,245	19,678,265	15,321,936
Borrowings	4,680,323	4,464,338	4,010,784
Lease liabilities	29,830	104,773	-
Current tax payable	333,261	128,389	9,587
	25,319,659	24,375,765	19,342,307
Non-current liabilities			
Borrowings	1,039,109	920,535	880,788
Lease liabilities	75,099	128,598	-
Deferred tax liabilities	770,979	770,979	770,811
	1,885,187	1,820,112	1,651,599
Total liabilities	**27,204,846**	**26,195,877**	**20,993,906**
Total equity and liabilities	**50,367,351**	**49,511,472**	**43,846,872**

Source: Audited financial statements from FY 2021 to FY 2022 and the management accounts for the financial period ended 31 December 2022

Section VI

Approach and Valuation Methodology

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Approach and Valuation Methodology

Overview

- We have considered the conventional approaches in valuing the Company, summarised as follows:
  - Asset-based approach;
  - Income approach - discounted cash flow ("DCF") analysis; and
  - Market approach - comparable companies analysis.
- We will discuss the various approaches used to value the Company in greater detail in the following sections.

Asset-Based Approach

- The asset-based approach is applicable when the underlying asset values constitute the prime determinant of corporate worth. The application of the company's operations (such as an investment or real estate holding company) and/or if the outlook for a particular company's earnings is somewhat uncertain, or returns based on earnings are insufficient to justify the investment in assets.
- This approach focuses on individual asset and liability values derived from the company's balance sheet, which are adjusted to reflect the fair value. In addition, the asset-based approach can be applied in situations whereby liquidation is imminent.

DCF Analysis

- DCF analysis is a fundamental valuation methodology broadly used for valuation. It is premised on the principle that the value of a group, company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow ("FCF").
- The company's projected FCF is derived from a variety of assumptions and judgments about its expected financial performance, including sales growth rates, profit margins, capital expenditures, and net working capital ("NWC") requirements.

DCF Analysis (Continued)

- The projected FCF and terminal value are discounted to the present value at the company's weighted average cost of capital ("WACC"), which is a discount rate that commensurate with its business and financial risks. The present value of the FCF and terminal value are summed to determine an enterprise value, which serves as the basis for the DCF valuation.
- Key drivers of financial performance such as sales growth, profitability, and FCF generation, which will support a defensible set of projections for the company.
- The use of realistic FCF projections is critical as it has the greatest effect on valuation in a DCF analysis. Historical performance, combined with third party and/or management's guidance, helps in developing these assumptions. The goal is to project FCF to a point in the future whereby the company's financial performance is deemed to have reached a "steady state" which can serve as the basis for a terminal value calculation.
- A terminal value is used to quantify the remaining value of the company subsequent to the projection period. This typically accounts for a substantial portion of the company's value in a DCF. Therefore, it is important that the company's financial data in the final year of the projection period ("terminal year") represents a steady state or normalised level of financial performance, as opposed to a cyclical high or low.
- To quantify the terminal value of the company, perpetuity growth rates has to be assumed, taking into consideration of the company's historical performances and comparable companies' historical performances.

Approach and Valuation Methodology

DCF Analysis (Continued)

- The appropriate WACC is derived from comparable companies listed in the market, in which financial information and relevant WACC inputs are easily obtained.
- The company's projected FCF and terminal value are discounted to the present and summed to calculate its enterprise value. Implied equity value and share price (if relevant) can then be derived from the calculated enterprise value.

Comparable Companies Analysis

- Comparable companies analysis is the secondary methodology used in valuing a given focus group, company, division, business, or collection of assets. It provides a market benchmark against which a valuer can establish the valuation for a private company's business and analysing the value of a public company's business at a given point of time.
- This approach involves determining the value of the company's business by referencing to available market information, such as trading multiples of comparable publicly listed companies.
- The process begins by selecting a universe of comparable companies based on business and financial profiles. Comparable companies are sourced through filters, such as the target industry, distribution channel, products and services, or geography.
- The valuation drivers are tied to key financial information which are necessary in determining ratios, statistics and trading multiples. A variety of ratios measuring growth, profitability, return and credit strength are subsequently determined. Market valuation measures, such as enterprise value and equity value are also computed.

Comparable Companies Analysis (Continued)

- Once the valuation measures are determined, the comparable companies are benchmarked alongside the target company for comparison. An analysis of the trading multiples will then determine an appropriate range for the value of the company.
- The valuation is determined by extrapolating the range of values derived by the multiples of closest comparable companies, and then applied to the company's relevant financial statistics to achieve a range of comparable values.

Selected Approach and Valuation Methodology

- We have adopted the asset-based approach as the primary valuation methodology to determine the value of the Company due to the following reasons:
  - Culminating with the ongoing war in Ukraine affecting the global supply chain, WEC revenue has decreased significantly resulting in the Company incurring losses for the nine months from 1 April to 31 December 2022.
  - As there is currently "no end in sight" in respect of the war in Ukraine, Management continues to forecast losses for the next three to five years; and
  - The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Company.

Approach and Valuation Methodology

Key Information

- In carrying out the valuation of the Company, we have relied on the following information:
  - Audited financial statements for FY 2021 and FY 2022, and the management accounts for the nine months financial period from 1 April to 31 December 2022;
  - Interview with the Management; and
  - All other publicly available information, where applicable.

Key Limitations and Assumptions

- We have made a number of key assumptions in our valuation of the Company set out as follows:
  - The Company will continue as a going concern without any changes in its Management and shareholding structure prior to the proposed divestment by Jubilee;
  - The future operations of the Company will not be adversely affected by changes to its key personnel, Management team and Company's shareholding prior to the proposed divestment by Jubilee;
  - No audit or review has been carried out on the management accounts from 1 April to 31 December 2022;
  - The information provided to us by the Management reflects the financial positions of the Company for the respective financial period;

Key Limitations and Assumptions (Continued)

- The Company has the legal titles to all assets as mentioned in the financial information provided to us by the Management. All assets, which are physically in existence, are in good working condition;
- There are no risks that any of these assets will be subject to compulsory acquisition by any third party or government body;
- There will be no major changes in the corporate taxation basis or rates applicable to the Company;
- Related party transactions, if any, are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure; and
- There are no subsequent events which will have material effect on the unaudited management accounts for the nine months financial period then ended.

Section VII

Asset-Based Approach

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Asset-Based Approach

Property, Plant and Equipment

- Property, plant and equipment consists mainly of right-of-use assets which are acquired under leasing arrangements, are presented together with the owned assets of the same class, and are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. Accordingly, the carrying value of property, plant and equipment of SGD 278,282 approximates its fair value as at 31 December 2022.

Intangible Assets

- Intangibles assets consist mainly of distribution rights which are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Accordingly, the carrying value of intangible assets of SGD 722,897 approximates its fair value as at 31 December 2022.

Trade and Other Receivables

- The carrying amount of trade and other receivables of SGD 22,468,518, derived mainly from sales to customers and advances made to suppliers, are short term in nature and approximates its fair value as at 31 December 2022.

Other Current Assets

- Other current assets consist mainly of a property held in trust amounting to SGD 7,300,000 whereby the acquisition of WEC by Jubilee from the vendor on 31 January 2015 excluded the property.
- Based on this arrangement, the vendor remained to have the rights over the excluded properties, which can be exercised anytime at the agreed consideration of SGD 7,300,000. Accordingly, the carrying value of other current assets of SGD 7,517,843 approximates its fair value as at 31 December 2022.

Inventories

- Inventories consists mainly of trading electronic components which are carried at the lower of cost or net realisable value.
- Based on the inventory ageing report, inventories held for more than twelve months amounted to SGD 2,648,440 of which an impairment of SGD 901,182 was provided for as at 31 December 2022. Taking a more prudent approach, a further impairment of SGD 1,747,258 was considered and provided for as at 31 December 2022.
- Accordingly, the reduced carrying value of inventories of SGD 8,460,510 from the previous carrying amount of SGD 10,207,768, taking into consideration of the further impairment of SGD 1,747,258, approximates its fair value as at 31 December 2022.

Cash and Cash Equivalent

- Cash and cash equivalent relates to the cash deposited with various Singapore banks of SGD 2,651,564, the amounts of which have been verified to the relevant bank statement as at 31 December 2022. Accordingly, the carrying value of cash and cash equivalent approximates its fair value as at 31 December 2022.

Trade and Other Payables

- The carrying amount of trade and other payables of SGD 15,321,936, consisting mainly of amounts payable to suppliers and customer deposits received are short term in nature and approximates its fair value as at 31 December 2022.

Borrowings

- Interest on borrowings is fixed at 5.25% which corresponds to Singapore's prime lending rate. Accordingly, the carrying amount of borrowings of SGD 4,891,572 approximates its fair value as at 31 December 2022.

Asset-Based Approach

Implied Valuation

- Based on the asset-based approach, the Company is in aggregated net assets of SGD 21,105,708 as at 31 December 2022.
- Accordingly, the fair value of the Company derived based on the asset-based approach is approximately SGD 21,105,708 as at the Valuation Date.

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