

JES INTERNATIONAL HOLDINGS LIMITED

(Company Registration No. 200604831K)
(Incorporated in the Republic of Singapore)

PROPOSED PLACEMENT OF UP TO 183,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF JES INTERNATIONAL HOLDINGS LIMITED (THE “PLACEMENT”)

1. INTRODUCTION

The Board of Directors of JES International Holdings Limited (the “**Company**”) wishes to announce that the Company has entered into a share subscription agreement dated 26 January 2015 (the “**Share Subscription Agreement**”) with Brilliant Choice International Limited and Sun Yiyi respectively (the “**Subscribers**”), pursuant to which the Subscribers have agreed to subscribe for 183,000,000 new ordinary shares (the “**Subscription Shares**”) at S\$0.036 (the “**Subscription Price**”) for each Subscription Share.

The Subscription Price represents a discount of approximately 0.28% to the weighted average price of S\$0.0361 of the Company’s ordinary shares for trades done on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) for the full market day on 26 January 2015, being the last full market day immediately preceding the date on which the Share Subscription Agreements were signed.

The Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on SGX-ST shortly. The Subscription Shares will not be issued to transfer a controlling interest of the Company and none of the Subscription Shares will be placed to any person or groups of person prohibited by SGX-ST as set out under Rule 812 of the SGX-ST Listing Manual.

The Subscription Shares will be payable in full upon acceptance and/or application and, when issued and fully paid-up, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions, the record date of which falls on or after the date of issue of the Subscription Shares.

2. SHAREHOLDERS’ MANDATE

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate obtained from shareholders of the Company at the Annual General Meeting of the Company held on 28 April 2014.

The Subscription Shares represent approximately 15.15% of the total number of issued shares in Company as at the date of this announcement. The Placement will increase the issued and paid-up share capital of the Company by approximately S\$6,588,000 and the number of ordinary shares will increase from 1,208,028,000 to 1,391,028,000.

3. ABOUT THE SUBSCRIBERS

Brilliant Choice International Limited is a company incorporated in The British Virgin Islands focusing on investing in assets, including marine assets. This company has invested in vessels, shipping companies before.

Mr Sun Yiyi’s family is in the construction business in China and he is in charge of his family fund’s investment. Whilst he used to invest in properties in China, he is now diversifying his investment portfolio to include marine related business.

The Board believes that both investors will bring add value to the Group's operations through their extensive contacts and relevant experience.

All the Subscribers are investors' contacts built up by Chairman and Chief Executive Officer, Mr Jin Xin, over his work experience. They are part of investors of who have previously expressed their interest to participate in Company's potential placement exercise. They are the eventual subscribers that commit to the terms and conditions of the Placement.

The Subscribers has no connection (including business relationships) with the Company, its Directors and substantial shareholders, and is not a person to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Listing Manual of the SGX-ST.

Under the terms of the Share Subscription Agreements, the Subscriber has represented, warranted and undertaken to and for the benefit of the Company that it is not acting in concert or collaboration with anyone to obtain or consolidate control over the Company (including as contemplated in the Singapore Code on Take-overs and Mergers).

4. PRINCIPAL TERMS OF THE PLACEMENT

CONDITIONS PRECEDENT

The obligations of the Company and the Subscriber under the Share Subscription Agreements are conditional upon, *inter alia*,:

- (a) all necessary approvals and waivers for the issue of the Subscription Shares on the terms and conditions as contained in the Share Subscription Agreements, including but not limited to the approval of shareholders of the Company, being obtained and not withdrawn before the Completion Date (as defined in the Placement Agreement);
- (b) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscriber; and
- (c) there having been, as at the Completion Date, no occurrence of any event nor the discovery of any fact rendering untrue or incorrect in any respect any of the warranties contained in the Share Subscription Agreements if they were repeated on and as of the Completion Date.

PAYMENT TERMS

The Subscribers shall make a total cash payment of S\$6,588,000 being the total subscription price for the Subscription Shares, by bank transfer to the account of the Company.

5. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The Company had on 4 July 2014 entered into a share lending agreement with JES Overseas Investment Limited (the "**JESOIL**") to borrow 120,802,800 ordinary shares in the Company (the "**Loaned Securities**") from JESOIL or its nominee for the purpose of transferring the Loaned Securities to Yang Shushan and Yang Nan on the terms and subject to the conditions set out in a Sale and Purchase Agreement (please refer to the Company's announcement dated 8 April 2014).

JESOIL has requested for the return of the Loaned Securities from the Company and the Company is unable to return the Loaned Securities, which are valued at approximately S\$11,198,420 (the "**Settlement Amount**"). The Company has negotiated and agreed with JESOIL that the Company shall pay to JESOIL a portion of the Settlement Amount as partial settlement of the Loaned Securities subject to and in accordance with the terms set out in the deeds of settlement.

In this regard, the Company entered into the Share Subscription Agreements with the Subscribers whereby the Subscribers have agreed to subscribe for shares in the Company and the Subscribers acknowledge and agree that they shall pay the consideration for the placement shares under the Share Subscription Agreement directly to JESOIL as repayment of part of the Settlement Amount.

The Placement will raise gross proceeds of approximately S\$6,588,000 and this proceeds will be used to pay off part of the Settlement Amount.

6. FINANCIAL EFFECTS OF THE PLACEMENT

The financial effects of the Placement set out below are strictly for illustrative purposes and do not necessarily reflect the actual future financial position and results of the Company or its subsidiaries (the “**Group**”) following the Placement.

As at the date of this announcement, the issued and paid-up share capital of the Company is approximately S\$294,797,493 comprising 1,208,028,000 ordinary shares. Upon the completion of the Placement, the Company's issued and paid-up share capital will be approximately S\$301,385,493 comprising 1,391,028,000 ordinary shares.

Based on the Group's audited consolidated financial statements for the year ended 31 December 2013 the financial effects of the Placement on the Group are estimated as follows:

- (a) The net asset per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed financial period)) of the Group, assuming that the Placement had been effected on 31 December 2013, would have decreased by 16.2%, from 106.38 RMB cents to 89.17 RMB cents; and
- (b) The loss per share (based on the total number of share issued as at 31 December 2013 (being the end of the most recently completed financial period)) of the Group, assuming that the Placement had been effected on 31 December 2013, would have decreased by 16.2%, from 44.78 RMB cents to 37.54 RMB cents. The Directors are of the opinion after taking into consideration the cash and cash equivalents, and cash used in operations, that the working capital available to the Group is sufficient to meet its present requirements at the date of this announcement.

7. NO PROSPECTUS OR OFFER INFORMATION STATEMENT

The Placement will be undertaken by way of private placement in accordance with Section 272B of the Securities and Futures Act (Cap. 289 of Singapore). As such, no prospectus or offer information statement will be issued by the Company in connection therewith.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed above, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Placement.

9. DOCUMENTS FOR INSPECTION

Copies of the Share Subscription Agreements are available for inspection during the normal business hours at the registered office of the Company at 8 Eu Tong Sen Street, #13-89, The Central, Singapore 059818 for a period of three months from the date of this announcement.

10. GENERAL

The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

11. RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of the preparation of this Announcement) have taken all reasonable care to ensure that the facts stated in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

BY ORDER OF THE BOARD

JIN XIN
Chairman and Chief Executive Officer

27 January 2015