

JES INTERNATIONAL HOLDINGS LIMITED

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

PROPOSED PLACEMENT OF UP TO 42,000,000 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**") refer to the Company's announcement dated 4 March 2014 whereby each of Merlion Capital Pte Ltd, Mr Lee Loi Sing, YA Global Master SPV and Mr Yin Xiangdong will, pursuant to the Placement Agreements dated 3 March 2014 (the "**Previous Placement Agreements**"), be allotted 23,000,000, 12,000,000, 8,000,000, and 7,000,000 new ordinary shares respectively, at S\$0.14463 per share (the "**Previous Subscription Price**").

The Previous Subscription Price under the Previous Placement Agreements represents a discount of more than 10% to the weighted average price of the Company's ordinary shares for trades done on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for the full market day on 27 February 2014 (being the last full market day immediately preceding the date on which the Previous Placement Agreement was signed) up to the trading halt which was called by the Company on 28 February 2014 at 1315 hrs.

As such, the Company, Merlion Capital Pte Ltd, Mr Lee Loi Sing, YA Global Master SPV and Mr Yin Xiangdong have agreed to terminate the Previous Placement Agreements without any further cost or claim and demands whatsoever to each other under or arising from the Previous Placement Agreements.

The Company has entered into placement agreements dated 8 April 2014 (the "**Placement Agreements**") with each of Merlion Capital Pte Ltd, Mr Lee Loi Sing and Mr Yin Xiangdong (each a "**Subscriber**" and collectively the "**Subscribers**") whereby each of Merlion Capital Pte Ltd, Mr Lee Loi Sing and Mr Yin Xiangdong will, pursuant to the Placement Agreements, be allotted 23,000,000, 12,000,000 and 7,000,000 new ordinary shares respectively (the "**Subscription Shares**"), at S\$0.14463 per share (the "**Subscription Price**"). YA Global Master SPV has decided not to participate in the Placement.

The Placement Agreements supersede the Previous Placement Agreements and were entered into to ensure the Company's compliance with Rule 811(1) of the SGX-ST Listing Manual, namely that an issue of shares must not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed.

The Subscription Price represents a premium of approximately 51.29% to the weighted average price of S\$0.0956 of the Company's ordinary shares for trades done on SGX-ST for the full market day on 7 April 2014, being the last full market day immediately preceding the date on which the Placement 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 29 April 2013.

The Subscription Shares represent approximately 3.6% 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\$6,074,460 and the number of ordinary shares will increase from 1,166,028,000 to 1,208,028,000.

3. ABOUT THE SUBSCRIBERS

Merlion Capital Pte Ltd is a private investment company focusing on business consultancy and own investment, which is established since 2008 and is managed by Mr Simon Bong, who is the sole-director and shareholder.

Mr Lee Loi Sing and Mr Yin Xiangdong are both private investors with than 20 years investing experience. Mr Lee Loi Sing is presently a full-time reinsurer with Maybank Kim Eng managing his own investment. Mr Yin Xiangdong is a director with Phicomm Technology (Asia Pacific) Pte Ltd, which is dealing with telecom equipment products and services, and manages its own investment.

All the Subscribers are investors' contacts built up by Executive Director and Chief Financial Officer, Mr Patrick Kan, over his work experience in the past 6 years. 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 Placement Agreement, 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 Placement Agreement 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 Placement Agreement, 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 Placement Agreement if they were repeated on and as of the Completion Date.

PAYMENT TERMS

The Subscribers shall make a total cash payment of S\$6,074,460 being the total subscription price for the Subscription Shares.

SECURITIES LENDING

The Company has entered into a share lending agreement (as borrower) with JES Overseas Investment Limited (as lender) on 3 March 2014 (the “**Share Lending Agreement**”), pursuant to which JES Overseas Investment Limited shall lend and the Company shall borrow from JES Overseas Investment Limited up to 50,000,000 existing ordinary shares owned by JES Overseas Investment Limited as at the time of this Announcement to facilitate the Placement (the “**Loaned Shares**”). A nominal consideration of S\$1.00 was paid to JES Overseas Investment Limited (as lender) as part of share lending arrangement for the purpose of providing valid consideration.

Mr Jin Xin, being the majority shareholder of JES Overseas Investment Limited, is deemed to be interested in the shares owned by of JES Overseas Investment Limited.

The Company has delivered the Loaned Shares to the Subscribers between 4 March 2014 and 7 March 2014 and the Subscribers have agreed that such transfer pursuant to or in connection with the Previous Placement Agreements shall be deemed to have been made in satisfaction of the Company’s obligations under the Placement Agreements.

The Company shall effect the return of such Shares by allotting and issuing to JES Overseas Investment Limited such number of new Shares equal to the aggregate number of Loaned Shares acquired by the Subscriber pursuant to the Placement Agreement or credit the Securities Account of JES Overseas Investment Limited with such number of new Shares upon receiving approval for the Company’s additional listing application to list the new Shares on the SGX-ST.

5. RATIONALE FOR THE PLACEMENT AND USE OF PROCEEDS

The Placement will help strengthen the capital base of the Company, fund the growth and expansion of business and for working capital requirements.

The Placement will raise gross proceeds of approximately S\$6,074,460 and this proceeds will be used towards the Company’s general working capital requirements, including but not limited to, trade payables and administrative expenses.

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\$288,723,033 comprising 1,166,028,000 ordinary shares. Upon the completion of the Placement, the Company’s issued and paid-up share capital will be approximately S\$294,797,493 comprising 1,208,028,000 ordinary shares.

Based on the Group’s publicly available 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 6.1%, from 111.90 RMB cents to 105.10 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 3.5%, from 44.78 RMB cents to 43.23 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 Placement Agreements and the Share Lending Agreement 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

8 April 2014