

JES INTERNATIONAL HOLDINGS LTD
(Company Registration No.: 200604831K)
(Incorporated in the Republic of Singapore)

UPDATE ON DELISTING NOTIFICATION

Capitalised terms in this announcement shall have the same meanings as ascribed to them in the Previous Announcements (as defined below) unless otherwise defined.

1. INTRODUCTION

The Board of Directors (the “**Board**”) of JES International Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 13 January 2023, 9 May 2023, and 19 January 2024 relating to, *inter alia*, the Company’s receipt of the Delisting Notification (the “**Previous Announcements**”).

Pursuant to Listing Rule 1306, the Company or its controlling shareholder(s) must comply with the requirements set out in Listing Rule 1309. Listing Rule 1309(1) requires an exit offer to be made to the Company’s shareholders, where such exit offer must be fair and reasonable, and include a cash alternative as the default alternative.

2. EXIT OPTIONS CONSIDERED AND ASSESSED BY THE BOARD

The Board had considered the following exit options:

(a) Provision of an exit offer by shareholders (including controlling shareholders)

The Company wishes to state for the record that it had, after the receipt of the Delisting Notification, reached out to its controlling shareholder to request for the provision of a reasonable exit offer. The Company was informed that its controlling shareholder is in no position to make any exit offer. Based on the Company’s understanding, this remains the case as at the date of this announcement.

No other shareholder had reached out to the Company to propose the provision of a reasonable exit offer.

In light of the abovesaid, no shareholder (including controlling shareholders) will make an exit offer in compliance with Rule 1309 of the Listing Manual.

(b) Provision of an exit offer by the Company

An exit offer by the Company has to comply with the Companies Act 1967 of Singapore (the “**Companies Act**”). Based on its current cash position, the Company does not have sufficient financial resources to make an exit offer through a selective share buy-back (even if allowed by the court) or otherwise allowed under the Companies Act.

Furthermore, the Companies Act does not allow a Company to acquire all 100% of its capital, and the Company’s management is not aware of any shareholder who have or will agree to remain in the Company after the exit offer to be able to comply with the Companies Act.

The cashflow position of the Company and the Group had been weak. In the last announced unaudited financial statements for the full financial year ended 31 December 2023 (“**FY2023**”), which was announced on 29 February 2024 (the “**FY2023 UFS**”), the Company disclosed, *inter alia*, the following:

- (i) the Group's subsidiaries in the People's Republic of China, which include Jiangsu Eastern Heavy Industries Co., Ltd, Jiangsu New Eastern Marine Engineering Equipment Co., Ltd, Jiangsu Nereus Shipyard Co., Ltd, Jingjiang Eastern Heavy Steel Structure Co., Ltd and JYJJP Eastern Shipyard Supplies Co., Ltd (collectively, the "PRC Subsidiaries") have have ceased operation since 20 August 2015;
- (ii) as at 31 December 2023, the Company's current assets stood at approximately S\$682,000, while the Company's current liabilities stood at approximately S\$11 million and the Company's non-current liabilities stood at approximately S\$5.5 million respectively;
- (iii) as at 31 December 2023, the Company's accumulated losses together with currency translation reserve exceeded its share capital, resulting in negative net equity by approximately S\$15.9 million;
- (iv) the Company did not generate any revenue or other operating income during FY2023;
- (v) the Company had no net cash generated from operating activities for FY2023; and
- (vi) the Company reported loss after tax of approximately S\$524,000 for FY2023.

There has been no improvement in the Company's financial condition compared to the financial information disclosed in the FY2023 UFS. Furthermore, the Group and the Company does not have any existing operations.

The Board has further considered that to prepare for the making of an exit offer, significant expenses would be incurred, including but not limited to professional fees payable to legal counsel and an independent financial advisor. The Company does not have the financial resources to undertake such expenses.

In light of the abovesaid, the Board is of the view that the Company does not have the financial resources to make an exit offer in compliance with Rule 1309 of the Listing Manual.

(c) Provision of an exit offer by NewCo

Further and as disclosed in the Previous Announcements, the Company had also been in discussions with NewCo regarding a proposed exit offer to shareholders of the Company. However, while NewCo had reiterated its intention to provide an exit offer, the relevant parties were not able to complete negotiations and finalise the terms for such exit offer to date due to unexpected delays experienced by NewCo in the course of its listing process.

(d) Voluntary liquidation of the Company

Another option considered by the Board was for the Company to undergo the process of voluntary liquidation. A liquidation would allow the Company to dispose of all of its existing assets and businesses. Arising from the liquidation exercise, remaining proceeds (after deducting for the cost of the liquidation process) can be distributed to shareholders after paying off all of the Company's existing debts and liabilities.

The Board notes that to proceed with a voluntary liquidation, significant expenses would also be incurred, including but not limited to professional fees payable to legal counsel and liquidators. As mentioned in relation to the financial condition of the Company, the Company does not have the financial resources or cash to engage such professionals. Furthermore, on the basis that the Company is in a negative net equity

position, it would also not be possible for the liquidator to fund themselves out of the Company's assets.

In consideration of the reasons set out above, the Board does not consider liquidation to be an option which can be considered by the Company.

3. NO EXIT OFFER AS AT THE DATE OF THIS ANNOUNCEMENT

In light of the matters set out in Paragraph 2 above, the Company wishes to inform the shareholders that it is not presently able to provide a reasonable exit offer for the following reasons:

- (a) the Company does not have sufficient financial resources to make an exit offer; and
- (b) to date, none of the Company's shareholder(s) have expressed any intention to make an exit offer.

Furthermore, the Board is of the view that the time and costs involved in a voluntary liquidation of the Company would not result in liquidation being a reasonable option in the interests of the Company and its shareholders.

The Company wishes to state for the record that it had, after the receipt of the Delisting Notification, reached out to its controlling shareholder to request for the provision of a reasonable exit offer. The Company was informed that its controlling shareholder is in no position to make any exit offer. Based on the Company's understanding, this remains the case as at the date of this announcement.

4. ADMINISTRATIVE PROCEDURES OF DELISTING

Further to the delisting of the Company, the Company will be an unlisted public company. Shares held with the Central Depository (Pte) Limited (the "**CDP**") as at the date of delisting (the "**Delisting Date**") will be withdrawn from CDP. Physical share certificates representing the relevant shares will be despatched by ordinary mail to the shareholders based on their addresses reflected in CDP's depository register.

Shareholders who have further enquiries after the Delisting Date may contact the Company at *ir@jes-intl.com*.

The Company will provide updates and details on material developments, if any, as and when appropriate.

BY ORDER OF THE BOARD

10 May 2024