

JUBILEE INDUSTRIES HOLDINGS LTD.
(Company Registration No. 200904797H)
(Incorporated in the Republic of Singapore)

**PROPOSED DISPOSAL OF THE COMPANY'S REMAINING SHARES IN WE
COMPONENTS PTE. LTD.**

1. INTRODUCTION

- 1.1 As disclosed on 21 June 2022, 26 October 2022, 5 January 2023 and 9 March 2023, Jubilee Industries Holdings Ltd (the "**Company**") and together with its subsidiaries, the "**Group**") had entered into a sale and purchase agreement with UPC Electronics Pte Limited (the "**Purchaser**") for the disposal of the Company's 14% shareholding interest consisting of 3,846,751 ordinary shares in We Components Pte. Ltd. ("**WEC**"), which was completed on 9 March 2023 ("**First Disposal**").
- 1.2 The Board of Directors (the "**Board**") of the Company wishes to announce that the Company and UPC, have on 22 March 2023 entered into a Sale and Purchase Agreement (the "**SPA**") for the sale of the Company's remaining 86% shareholdings in WEC consisting of 23,630,046 ordinary shares ("**Sale Shares**") (the "**Proposed Disposal**").
- 1.3 Upon completion of the Proposed Disposal ("**Completion**"), WEC shall cease to be a subsidiary of the Company.
- 1.4 The Proposed Disposal is considered a "major transaction" of the Company as defined under Chapter 10 of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). Accordingly, the Proposed Disposal will be subject to, amongst others, the approval of the shareholders of the Company (the "**Shareholders**") for the Proposed Disposal in due course.

2. INFORMATION ON WEC AND THE PURCHASER

- 2.1 For information on WEC and the Purchaser, please refer to the Company's announcement on 21 June 2022.

3. VALUE OF WEC

- 3.1 Pursuant to Rule 1014(5) of the Catalist Rules, the Company must appoint a competent and independent valuer to value the Sale Shares as one of the relative figures computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% (see section 6 below).

The Company has commissioned Chay Corporate Advisory Pte. Ltd. (the "**Independent Valuer**") to conduct an independent valuation of the market value of WEC as at 31 December 2022 (the "**Business Valuation**"). 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.

Based on the preliminary valuation conducted by the Independent Valuer, 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) (the “**Indicative Valuation**”). The finalised valuation report for the Business Valuation will be issued by the Independent Valuer and included in the circular.

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.

4. PRINCIPAL TERMS OF THE PROPOSED DISPOSAL

4.1 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).

4.2 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.

4.3 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.

4.4 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).

4.5 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 4.3(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).

5. **FINANCIAL EFFECTS OF THE DISPOSAL**

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.

Net Tangible Assets (“NTA”) per share

	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)	33,246	54,679	57,511
Weighted Average Number of Shares (‘000)	314,337,373	314,337,373	314,337,373
NTA per Share (SGD cents)	10.58	17.40	18.30

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)	(10,284)	(11,897)
Weighted Average Number of Shares (‘000)	314,337,373	314,337,373	314,337,373
Loss per Share (SGD cents)	(1.53)	(3.27)	(3.78)

6. DISCLOSURE UNDER CHAPTER 10 OF THE LISTING MANUAL

Pursuant to Rule 1005 of the Listing Manual, in determining the classification of a transaction under Rule 1004 of the Listing Manual, the SGX-ST may aggregate separate transactions completed within the last 12 months and treat them as if they were one transaction.

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

Rule 1006(a)	net asset value of the assets to be disposed of, compared with the group’s net asset value	78.66% ⁽¹⁾
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Rule 1006(b)	net loss attributable to the assets acquired or disposed of, compared with the group's net loss ⁽²⁾	11.48%
Rule 1006(c)	aggregate value of the Consideration compared with the Company's market capitalization ⁽³⁾ of SGD 17,602,893	137.85%
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 (aggregated with the First Disposal) being SGD 23,579,000 compared with the Group's NAV of SGD 29,977,000.
- (2) based on the net loss attributable to the Proposed Disposal (aggregated with the First Disposal) being SGD 346,000 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 0.056 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 17,602,893.
- (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 for the Proposed Disposal 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 Company will seek Shareholders' approval for the major transaction in due course.

7. RATIONALE FOR THE DISPOSAL AND USE OF PROCEEDS

The 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.

8. EGM AND CIRCULAR

An extraordinary general meeting of the Company (“**EGM**”) will be convened in due course to obtain Shareholders’ approval for the Proposed Disposal.

In compliance with the Catalist Rules, the circular containing, *inter alia*, further details on the Proposed Disposal, the finalised valuation report by the Independent Valuer, and a notice of EGM to be held, will be issued to Shareholders in due course.

9. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

As at the date of this announcement, save for their shareholdings in the Company, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal.

10. SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

11. COMMISSION

Pursuant to a Consultancy Agreement entered into between the Company and One World Business Advisory Pte Ltd (“**Consultant**”) dated 1 April 2022, the Company agrees that in the event the Consultant successfully arranges any investment/acquisition, the Company shall pay a cash amount in Singapore Dollars equivalent to 3% of the value of such agreed cash, equity or hybrid investment/acquisition.

12. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA is available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company’s registered office at 10 Ubi Crescent, Ubi Techpark Lobby E, #03-94/95/96, Singapore 408564 for three (3) months from the date of this announcement.

14. CAUTION IN TRADING

Shareholders and potential investors are advised to exercise caution in trading the shares in the Company as there is no certainty or assurance as at the date of this announcement that the Conditions Precedent will be fulfilled.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock broker, bank managers, solicitors or other professional advisers if they have any doubt the actions they should take.

BY ORDER OF THE BOARD

Dato' Terence Tea Yeok Kian
Executive Chairman and Chief Executive Officer
22 March 2023

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

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

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