



For Immediate Release

JUBILEE INDUSTRIES HOLDINGS ACQUIRES PRECISION PLASTICS MOULDS AND COMPONENTS BUSINESSES FOR S\$6 MILLION

- **The acquisition will be funded by S\$1 million in cash and S\$5 million in new ordinary shares**
 - **The Seller will provide a profit guarantee that the companies shall collectively have a profit of at least S\$1 million before tax for FY2018 and FY2019**
 - **Net tangible asset value of the three companies is at least S\$4.5 million**
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Singapore, 13 July 2017 – Catalyst-listed Jubilee Industries Holdings Ltd (“**Jubilee**” or the “**Company**”, and together with its subsidiaries, the “**Group**”) today announced that it has entered into a Sale and Purchase of Shares Agreement (the “**SPA**”) with Mr Seah Chong Hoe (the “**Seller**”) to acquire all the issued and paid up share capital of three companies, Pioneer Venture Pte. Ltd., Yumei Technologies Sdn Bhd., and Yumei REIT Sdn Bhd. These three companies are solely owned by the Seller.

The companies provide die-casting, plastic injection moulding components, metal moulding and other finishing operations. Yumei REIT Sdn Bhd. is the asset management company for Yumei Technologies Sdn Bhd.

The consideration for the acquisition, which amounts to S\$6 million, was arrived at on a willing seller willing buyer basis and based on the net tangible assets of the three companies. The consideration will be funded by cash consideration of S\$1 million and an allotment of 142,450,142 ordinary shares in Jubilee based on 90% of the closing share price quoted by the SGX-ST for the trading day immediately preceding the date of the SPA. The number of shares issued amounts to S\$5 million (“**Consideration Shares**”) and shall be issued on the Completion Date of the agreement.

The Consideration Shares of 142,450,142 represent (i) approximately 21.18% of the existing issued and paid-up share capital of the Company as at the date of this press release and (ii) approximately 17.48% of the enlarged issued and paid-up share capital of the Company after the issue of the Consideration Shares

As part of the conditions precedent of the sale and purchase agreement, the audited net tangible assets of the Companies as at 30 June 2017 shall not be less than S\$4.5 million. Based on the terms of the SPA, the Seller warranted and undertaken to and with Jubilee that the companies shall collectively have a profit of at least S\$1 million before tax, in each of the respective periods from 1 April 2017 to 31 May 2018 (“**FY2018**”) and from 1 April 2018 to 31 May 2019 (“**FY2019**”).

In the event that there is any shortfall to the profit guarantee, the Seller will compensate Jubilee an amount being the difference between the profit guarantee amount and the total net profit amount in the audited financial reports for the respective financial year. Additionally, to safeguard the Group's interests, the Seller will execute a deed of assignment or charge instrument in favour of the Group securing an amount of at least S\$2 million, being the total amount due under the profit guarantees for both FY2018 and FY2019.

The acquisition of the companies, which are based in Singapore and Malaysia, is in line with Jubilee's intention to expand and strengthen its current tooling and moulding business and broaden the Group's revenue stream. The acquisition also enables Jubilee to leverage on the potential as well as synergies that the companies present. The acquisition also guarantees a profit of at least S\$1 million a year, which will potentially improve the financial performance of the Group.

On the acquisition, Mr Terence Tea, Non-Executive Chairman of Jubilee Industries Holdings, explained, **“Jubilee aims to grow strategically through the expansion of its customer base and vertical integration of its product lines. To this end, the acquisition will enable Jubilee to expand its tooling and moulding business, which is further complemented by the die-casting facility that Jubilee is taking over. These developments will expand our offering, raise our competitive advantage in the tooling and moulding business and widen our customer base in Singapore and Malaysia. We are in a strong position to leverage on these synergies and combined network to grow our businesses.”**

The financial effects of the proposed acquisition on the Group, based on the latest unaudited consolidated financial results for the financial year ended 31 March 2017 (“FY2017”), are as follows:

- Net Tangible Assets per share of the Group based on the assumption that the acquisition had been effected at the end of FY2017 will be 4.16 cents and 2.35 cents before and after the acquisition respectively;
- Loss per share, based on the assumption that the acquisition had been effected at the beginning of FY2017, will be 1.40 cents and 0.59 cents before and after the acquisition respectively.

The above transaction is subject to and conditional upon, among others, the approval of Jubilee's shareholders at an extraordinary general meeting, to be announced at a later date, and approvals from the relevant authorities.

The acquisition of the three firms comes on the back of the Jubilee's recent announcement of its distributorship agreements with Nasdaq-listed NeoPhotonics Incorporation and Taiwan-based Innodisk Corporation for new product lines.

Jubilee also recently announced that it will be raising S\$5 million in gross proceeds from a share placement to a new investor, Mr Pek Hak Bin. The net proceeds of S\$4.8 million will be used for general working capital purposes. Jubilee will also explore acquisitions and/or strategic alliances as and when they arise, to deliver long-term growth and shareholder value.

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About Jubilee Industries Holdings Limited

Established in 1993 and listed on SGX-Catalist since 10 July 2009, Jubilee Industries Holdings Limited is a one stop solutions provider that focuses on two main business segments, namely:

- Precision moulding and tool fabrication services
- Integrated electronic component distribution services

Our market coverage extends beyond Singapore to the rest of Asia Pacific.

For more information, please visit www.jihldgs.com

Issued on behalf of Jubilee Industries Holdings Limited By RHT Communications and Investor Relations Pte Ltd

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This Press Release has been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd., for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (SGX-ST). The Company's Sponsor has not independently verified the contents of the Press Release.

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

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