



JEP HOLDINGS LTD.

(Registration No. 199401749E)

(Incorporated in the Republic of Singapore on 12 March 1994)

ANNUAL GENERAL MEETING TO BE HELD ON 22 JUNE 2020 RESPONSES TO SUBSTANTIAL AND RELEVANT QUESTIONS

The Board of Directors of JEP Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement released by the Company on 6 June 2020 relating to the details of the Company’s annual general meeting to be held by electronic means on 22 June 2020 at 9:30 a.m.

As mentioned in the said announcement, the Company will endeavour to address substantial and relevant questions relating to the resolutions to be tabled for approval at the annual general meeting or the Company’s businesses and operations, which are submitted no later than 5:00 p.m. on 16 June 2020.

The Company would like to thank all shareholders who have submitted their questions by the submission deadline. The responses to the substantial and relevant questions received by the Company are set out in the Appendix to this announcement.

By Order of the Board

Andy Luong
Executive Chairman and Chief Executive Officer

For and on behalf of Board of Directors of
JEP Holdings Ltd.
Date: 19 June 2020

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

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.

The details of the contact person for the Sponsor is:

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APPENDIX

Question 1

An aerospace industry has been severely affected by Covid-19 pandemic.

- a) How badly is JEP being affected, given that a significant portion of the revenue is derived from aerospace industry?
- b) Are there any silver lining to our company in this covid19 crisis?

Responses.

- The aerospace related customers have rescheduled delivery lead time. Nevertheless, none of these customers had cancelled the signed contracts.
- The Group's main revenue streams are diversified into a few business segments and aerospace segment contributes approximately 60% of total revenue of the Group.
- The Group does not expect to have a significant change to the half year financial results for FY2020 as compared to the corresponding period last year.
- The past effort in streamlining operations and cost saving initiatives have made the Group in the better position to tide through this difficult period.
- The Group will continue with its on-going cost saving initiatives and defer its capital expenditures in relation to aerospace segment to sustain this business segment during an economic downturn.

Question 2

Will JEP declares a maiden dividend to reward shareholders once a situation improved or stabilized

Responses.

- Currently, the Company does not have a fixed dividend policy.
- The Company had declared and paid dividend in year 2017.
- Refer to annual report page 24, Dividend Policy, the board will take all the relevant factors into consideration and make an appropriate proposal should the time arises.

Question 3

Is JEP looking into any corporate exercises to raise a fund should there be a potential acquisition target?

Responses.

- The Company does not rule out this possibility whenever there is an existent of suitable target through acquisition or collaboration.

Question 4

Is JEP continuing to shift its manufacturing to lower operating cost countries to boost its profit margin?

Responses.

- It is the Group's on-going plan to shift labour intensive jobs to strategic countries for competitiveness and sustainability reasons.
- However, Singapore will still remain as the headquarters of the Group.

Question 5

Does the company has an internal target of profitability, net profit margin, revenue growth in coming year or years? If yes, can the company shares it to shareholders and announce its achievement during half yearly result announcements.

Responses.

- The Group has an internal 5 years forecast results and currently is made available to the Board to assess the management's performance.
- Due to sensitivity of such information, the management has decided not to publicly disclose it.
- The Group's half yearly financial results announcement and periodic market analysis published by the analyst shall suffice for shareholders or potential investors to assess and evaluate the Group performance objectively.

Question 6

Refer to page 4 of the annual report "Revenue by Industry" pie chart and page 84, note 30 "Segment information". There is no breakdown by specific industry for the revenue generated by Equipment Manufacturing. Could the company provide the breakdown?

Responses.

- Refer to page 6 of annual report the equipment manufacturing is mainly serving a semiconductor industry.
- The Group is actively looking for an opportunity to expand its revenue stream to medical equipment sector in year 2020.

Question 7

Is there a potential upside of semiconductor business to JEP in relation to the 5G technology?

Responses.

- The Group expects to gain some benefits in relation to 5G products roll out in near future.