



Company Registration No.: 200100340R

UMS to make mandatory conditional cash offer of S\$0.150 per share to increase stake in SGX-listed JEP Holdings Ltd ("JEP"), following acquisition of shares in JEP from Ellipsiz Ltd.

- **Proposed acquisition is in line with UMS' diversification strategy to grow its revenue base beyond semiconductors to other high-growth sectors especially the buoyant aerospace industry**

Singapore, 13 May 2019

SGX Mainboard-listed UMS Holdings Limited ("**UMS**" or "**Group**") will be making a mandatory conditional cash offer ("**Offer**") to acquire all the remaining issued and paid-up ordinary shares ("**Shares**") of its associated company - SGX Catalist-listed JEP Holdings Ltd ("**JEP**"), other than those already owned, controlled, or agreed to be acquired by UMS.

UMS currently owns 111,748,275 ordinary shares or approximately 27.9% of JEP.

The Offer by UMS will be made pursuant to its acquisition (via a married deal) of 43,841,202 Shares ("**Sale Shares**") from SGX-listed Ellipsiz Ltd ("**Ellipsiz**"), which owns approximately 10.9% of JEP ("**Acquisition**").

Pursuant to the Acquisition, UMS' shareholding interest in JEP has increased from 27.9% to 38.8%. Further to the Acquisition, UMS now owns more than 38% of JEP, triggering the mandatory cash offer for the entire share capital of the company.

UMS will pay Ellipsiz a total of approximately S\$6.58 million in cash or S\$0.150 per Sale Share - a price arrived at on a willing-buyer and willing-seller basis.

The offer price of S\$0.150 per Sale Share represents a discount of approximately 3.8% over the last transacted price of S\$0.156 per Share as at 10 May 2019.

UMS will also make an offer to acquire all outstanding warrants issued by JEP. The warrants offer will be unconditional in all respects. The offer price of each warrant will be S\$0.074.

The Offer for Shares will become unconditional if UMS receives valid acceptances, which, together with the Shares held by UMS, result in UMS holding more than 50% of JEP's entire share capital.

Said Mr Andy Luong, UMS' Executive Chairman and CEO, "The proposed acquisition of JEP is in line with our Group's overall diversification strategy to tap on new growth sectors beyond the semiconductor industry. JEP has recently demonstrated a positive turnaround to achieve an increase in net profit attributable to the owners of the Company of more than 160% for FY2018 from FY2017.

"We are confident that JEP will continue to drive business expansion and benefit from the buoyant aerospace sector which it serves. JEP's key aerospace clients include major aircraft manufacturing giants in the US, the world's largest aerospace market. This acquisition of JEP will therefore bring us new revenue and profit streams, boosting UMS' top and bottom lines. As a Group, we will also be able to further reap the benefits from enhanced operational synergies and an enlarged customer base."

The global aerospace parts manufacturing market size is expected to hit USD1.14 trillion by 2025 and the overall market is anticipated to register a CAGR of 3.8% during the same period. Increasing fleet replacement rates are expected to lead to a surge in aircraft production which will boost growth.

Demand for commercial aircraft parts is estimated to be the highest fuelled by the rise in passenger and freight traffic and improved global trade. It is expected to achieve a CAGR of 4.2% from 2018 to 2025. The market is concentrated in North America and is estimated to reach USD515.68 billion by 2025, due to the presence of major manufacturers such as Boeing, Northrop Grumman, and Lockheed Martin.

(Source : Research and Markets -

https://www.researchandmarkets.com/research/4fcds5/global_aerospace?w=4)

UMS currently has no intention to delist JEP. In the event that UMS receives valid acceptances, which together with its Shares held in JEP, results in UMS owning or controlling more than 90% of the total number of Shares and JEP's public float to fall below 10%, it will explore various options to maintain its listing status.

Further information and instructions on the Offer will be set out in the Offer Document to be despatched to Shareholders not earlier than 14 days and not later than 21 days from the date of the Offer Announcement.

Responsibility Statement

The Directors of the Offeror have taken all reasonable care to ensure that the facts stated and all opinions expressed in this press release are fair and accurate and that no material facts have been omitted from this press release, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted from published or otherwise publicly available sources (including, without limitation, information relating to JEP or Ellipsiz) or obtained from JEP or Ellipsiz, the sole responsibility of the Directors of the Offeror has been to ensure through reasonable enquiries that such information is accurately and correctly extracted from such sources, or, as the case may be, accurately reflected or reproduced in this press release.

About UMS Holdings Limited

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group is in the business of front-end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final

testing devices. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas. Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia as well as California, USA.

Issued on behalf of UMS Holdings Limited

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