

**JEP HOLDINGS LTD.**  
 (the “Company”)  
 (Registration No. 199401749E)  
 (Incorporated in the Republic of Singapore on 12 March 1994)

**Unaudited Half-Year Financial Statements for the Period Ended 30 June 2019**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS ANNOUNCEMENTS**

**1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	The Group		
	1 <sup>st</sup> Half-Year Ended		Increase/
	30 June 2019	30 June 2018	(Decrease)
	S\$'000	S\$'000	%
	(Unaudited)	(Unaudited)	
Revenue	44,694	43,643	2.4
Cost of sales	(36,304)	(39,205)	(7.4)
<b>Gross profit</b>	<b>8,390</b>	<b>4,438</b>	<b>89.0</b>
Other operating income	560	738	(24.1)
Selling and distribution expenses	(1,043)	(1,113)	(6.3)
Administrative expenses	(2,978)	(3,319)	(10.3)
Other operating expenses	(95)	(339)	(72.0)
Finance expenses	(1,015)	(751)	35.2
<b>Profit (Loss) before tax</b>	<b>3,819</b>	<b>(346)</b>	<b>N.M</b>
Income tax (expense) credit	(481)	18	N.M
<b>Profit (Loss) for the period</b>	<b>3,338</b>	<b>(328)</b>	<b>N.M</b>
<b>Other comprehensive income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Currency translation differences	-	1	N.M
<b>Total comprehensive income (expenses) for the period</b>	<b>3,338</b>	<b>(327)</b>	<b>N.M</b>
<b>Profit (Loss) attributable to:</b>			
Owners of the Company	3,338	(192)	N.M
Non-controlling interests	-	(136)	N.M
	<b>3,338</b>	<b>(328)</b>	<b>N.M</b>
<b>Total comprehensive income (expenses) attributable to:</b>			
Owners of the Company	3,338	(191)	N.M
Non-controlling interests	-	(136)	N.M
	<b>3,338</b>	<b>(327)</b>	<b>N.M</b>

*N.M denotes not meaningful*

**1(a)(ii) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:**

Profit (Loss) before tax from operations is derived after charging (crediting) the following:

	The Group (Unaudited)		
	1 <sup>st</sup> Half-Year Ended		Increase/ (Decrease)
	30 June 2019	30 June 2018	(Decrease)
	S\$'000	S\$'000	%
Amortisation of intangible assets	62	62	0.0
Depreciation of property, plant and equipment	3,219	2,917	10.4
Foreign exchange loss	95	339	(72.0)
Gain on disposal of property, plant and equipment	(70)	-	N.M
Interest expense	1,015	751	35.2

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30 June 2019</b>	<b>31 Dec 2018</b>	<b>30 June 2019</b>	<b>31 Dec 2018</b>
	<b>S\$'000</b> (Unaudited)	<b>S\$'000</b> (audited)	<b>S\$'000</b> (Unaudited)	<b>S\$'000</b> (audited)
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	7,493	4,541	381	556
Trade and other receivables	23,643	22,713	4	11
Inventories	12,955	15,741	-	-
<b>Total current assets</b>	<b>44,091</b>	<b>42,995</b>	<b>385</b>	<b>567</b>
<b>Non-current assets</b>				
Property, plant and equipment	48,383	51,185	27	21
Rights-of-use assets	6,478	-	-	-
Intangible assets	17,807	17,869	-	-
Investment in subsidiaries	-	-	64,040	64,040
Deferred tax assets	35	91	35	91
<b>Total non-current assets</b>	<b>72,703</b>	<b>69,145</b>	<b>64,102</b>	<b>64,152</b>
<b>Total assets</b>	<b>116,794</b>	<b>112,140</b>	<b>64,487</b>	<b>64,719</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank loans	10,836	11,105	-	-
Trade and other payables	12,193	15,487	583	571
Contract liabilities	90	-	-	-
Amount due to subsidiaries	-	-	360	1,667
Lease liability-finance leases	1,023	2,003	-	-
Lease liability-operating leases	288	-	-	-
<b>Total current liabilities</b>	<b>24,430</b>	<b>28,595</b>	<b>943</b>	<b>2,238</b>
<b>Non-current liabilities</b>				
Bank loans	26,691	25,551	-	-
Amount due to subsidiaries	-	-	980	1,660
Lease liability-finance leases	1,651	4,572	-	-
Lease liability-operating leases	6,244	-	-	-
Contract liability	72	-	-	-
Deferred tax liabilities	1,719	1,295	-	-
<b>Total non-current liabilities</b>	<b>36,377</b>	<b>31,418</b>	<b>980</b>	<b>1,660</b>
<b>Capital and reserves</b>				
Share capital	48,333	47,811	48,333	47,811
Capital reserve	633	553	731	651
Warrants reserve	139	219	139	219
Retained earnings	6,882	3,544	13,361	12,140
<b>Total equity</b>	<b>55,987</b>	<b>52,127</b>	<b>62,564</b>	<b>60,821</b>
<b>Total liabilities and equity</b>	<b>116,794</b>	<b>112,140</b>	<b>64,487</b>	<b>64,719</b>

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

	The Group	
	As at	
	30 June 2019	31 Dec 2018
	S\$'000	S\$'000
<b><u>Secured borrowing</u></b>		
Amount repayable in one year or less, or demand	11,859	13,108
Amount repayable after one year	28,342	30,123
	<b>40,201</b>	<b>43,231</b>
<b><u>Unsecured borrowing</u></b>		
Amount repayable in one year or less, or demand	-	-
Amount repayable after one year	-	-
	-	-

**Details of any collaterals.**

As at 30 June 2019 the Group's lease liability-finance leases and bank loans are secured as follows:

- 1) Lease liability-finance leases amounting to S\$2.7 million (31 December 2018: S\$6.6 million) are secured by the Group's production equipment.
- 2) Bank loans amounting to S\$37.5 million (31 December 2018: S\$36.6 million) are secured by the property, plant and equipment of subsidiaries.

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>The Group</b>		
<b>Half-Year Ended</b>		
	<b>30 June 2019</b>	<b>30 June 2018</b>
	<b>S\$'000</b>	<b>S\$'000</b>
	(unaudited)	(unaudited)
<b>Operating activities</b>		
Profit (Loss) before income tax	3,819	(346)
Adjustment for:		
Depreciation of property, plant and equipment	3,219	2,917
Amortisation of intangible assets	62	62
Gain on disposal of property, plant and equipment	(70)	*
Property, plant and equipment written off	-	1
Club membership written off	-	48
Provision for inventory obsolescence	277	1,078
Unrealised foreign exchange loss	120	341
Interest income	(1)	(1)
Interest expense	1,015	751
Operating cash flow before movements in working capital	8,441	4,851
Inventories	2,508	2,000
Trade and other receivables	(940)	1,544
Trade and other payables	(3,110)	(4,457)
Cash generated from operations	6,899	3,938
Interest expense paid	(1,015)	(751)
Interest income received	1	1
Income tax paid	*	-
Net cash from operating activities	5,885	3,188
<b>Investing activities</b>		
Purchase of property, plant and equipment	(68)	(2,172)
Proceeds from disposal of property, plant and equipment	80	*
Net cash from (used in) investing activities	12	(2,172)
<b>Financing activities</b>		
Proceeds from issue of ordinary shares	522	1,591
Repayment of lease liability-finance leases	(4,159)	(982)
Repayment of lease liability-operating leases	(162)	-
Proceeds from bank loans	9,551	7,500
Repayment of bank loans	(9,028)	(9,916)
Net proceeds of factoring loans	331	146
Net cash used in financing activities	(2,945)	(1,661)
Net increase (decrease) in cash and bank balances	2,952	(645)
Effect of exchange rate changes	-	1
Cash and bank balances at beginning of the period	4,541	6,234
Cash and bank balances at end of the period	7,493	5,590

\* Denotes less than S\$1,000

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Share capital	Warrants reserve	Capital reserve	Translation reserve	Retained earnings	Equity attributable to owners of the Company	Non-controlling interest	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Group</b>								
<b>Balance as at January 1, 2018</b>	45,218	618	252	(194)	1,351	47,245	1,600	48,845
Total comprehensive income for the period								
Profit for the period	-	-	-	194	2,193	2,387	102	2,489
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>194</b>	<b>2,193</b>	<b>2,387</b>	<b>102</b>	<b>2,489</b>
Transactions with owners, recognised directly in equity								
Effects of acquiring non-controlling interests in subsidiary	-	-	(98)	-	-	(98)	(1,702)	(1,800)
Issue of new ordinary shares	2,593	(399)	399	-	-	2,593	-	2,593
<b>Total</b>	<b>2,593</b>	<b>(399)</b>	<b>301</b>	<b>-</b>	<b>-</b>	<b>2,495</b>	<b>(1,702)</b>	<b>793</b>
<b>Balance as at December 31, 2018</b>	<b>47,811</b>	<b>219</b>	<b>553</b>	<b>-</b>	<b>3,544</b>	<b>52,127</b>	<b>-</b>	<b>52,127</b>
Total comprehensive income for the period								
Profit for the period	-	-	-	-	3,338	3,338	-	3,338
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,338</b>	<b>3,338</b>	<b>-</b>	<b>3,338</b>
Transactions with owners, recognised directly in equity								
Issue of new ordinary shares	522	(80)	80	-	-	522	-	522
<b>Total</b>	<b>522</b>	<b>(80)</b>	<b>80</b>	<b>-</b>	<b>-</b>	<b>522</b>	<b>-</b>	<b>522</b>
<b>Balance as at June 30, 2019</b>	<b>48,333</b>	<b>139</b>	<b>633</b>	<b>-</b>	<b>6,882</b>	<b>55,987</b>	<b>-</b>	<b>55,987</b>

	Share capital	Warrants reserve	Capital reserve	Retained earnings	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>The Company</b>					
<b>Balance as at January 1, 2018</b>	45,218	618	252	10,254	56,342
Total comprehensive income for the period					
Profit for the period	-	-	-	1,886	1,886
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,886</b>	<b>1,886</b>
Transactions with owners, recognised directly in equity					
Issue of new ordinary shares	2,593	(399)	399	-	2,593
<b>Total</b>	<b>2,593</b>	<b>(399)</b>	<b>399</b>	<b>-</b>	<b>2,593</b>
<b>Balance as at December 31, 2018</b>	<b>47,811</b>	<b>219</b>	<b>651</b>	<b>12,140</b>	<b>60,821</b>
Total comprehensive income for the period					
Profit for the period	-	-	-	1,221	1,221
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,221</b>	<b>1,221</b>
Transactions with owners, recognised directly in equity					
Issue of new ordinary shares	522	(80)	80	-	522
<b>Total</b>	<b>522</b>	<b>(80)</b>	<b>80</b>	<b>-</b>	<b>522</b>
<b>Balance as at June 30, 2019</b>	<b>48,333</b>	<b>139</b>	<b>731</b>	<b>13,361</b>	<b>62,564</b>

**1(d)(ii) Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of Issued shares excluding treasury shares and subsidiary holdings of the issuer as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

Subsequent to 31 December 2018, 6,526,125 warrants were exercised at S\$0.08 each pursuant to the warrants adjustment effective 21 May 2018 ("Share Consolidation and Warrants Adjustment"). As at 30 June 2019, there were outstanding warrants of 11,255,314 (31 December 2018: 17,781,439) for conversion into ordinary shares.

The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

<b>Share Capital</b>	<b>Number of Shares</b>	<b>S\$</b>
Share capital as at 31 December 2018	396,256,066	47,810,999
Issuance of new ordinary shares pursuant to Rights cum Warrants Issue	6,526,125	522,090
Share capital as at 30 June 2019	402,782,191	48,333,089

<b>Warrants</b>	<b>Number of Warrants</b>	<b>S\$</b>
Warrants as at 31 December 2018	17,781,439	218,849
Exercised during the period	(6,526,125)	(80,322)
Warrants as at 30 June 2019	11,255,314	138,527

As at 30 June 2019, the maximum number of ordinary shares that may be issued upon full conversion of all free-detachable warrants of the Company is 11,255,314 ordinary shares (31 December 2018: 17,781,439).

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 June 2019 was 402,782,191 shares (31 December 2018: 396,256,066 shares).

**1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2019.

**1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

There are no subsidiary holdings during and as at 30 June 2019.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.**

The figures have not been audited nor reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those applied in the Group's most recently audited financial statements for the year ended 31 December 2018.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

The adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group except for the adoption of Singapore Financial Reporting Standards (International) (SFRS(I)) 16 Leases which took effect on 1 January 2019, using the modified retrospective approach at the date of initial application which is on 1 January 2019. In compliance with SFRS(I) 16 Leases, the Group has applied the practical expedients to recognise the amount of right-of-use assets equal to the lease liabilities, adjusted by the amount of accrued lease payment related to that lease recognised in the statement of financial position immediately from 1 January 2019.

**6. Earnings (Loss) per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

<b>The Group</b>	<b>30 June 2019</b>	<b>30 June 2018</b>
i) based on the weighted average number of ordinary shares in issue, and	0.834 cents	(0.051) cents
ii) on a fully diluted basis	0.806 cents	(0.046) cents
Weighted average number of ordinary shares in issue:		
- Basic	400,446,691	373,811,766
- Diluted	414,037,505	414,037,505

**Note:**

Basic earnings (loss) per share is computed by dividing net profit for the period of S\$3,338,000 (2018: net loss of S\$191,479) by the weighted average number of 400,446,691 shares (2018:373,811,766 shares) in issue during the period.



Diluted earnings (loss) per share is computed by dividing net profit for the period of S\$3,338,000 (2018: net loss of S\$191,479) by the weighted average number of 414,037,505 shares (2018:414,037,505) in issue during the period.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
- (a) **current financial period reported on; and**
  - (b) **immediately preceding financial year.**

	The Group		The Company	
	30 June 2019	31 Dec 2018	30 June 2019	31 Dec 2018
Net assets value, net of non-controlling interests (S\$)	55,986,443	52,126,354	62,563,442	60,821,280
Net assets per ordinary share at end of the period	13.9 cents	13.2 cents	15.5 cents	15.3 cents

**Note:**

Net assets per ordinary share based on number of issued 402,782,191 ordinary shares (excluding treasury shares) as at 30 June 2019 (396,256,066 ordinary shares (excluding treasury shares) as at 31 December 2018).

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**
- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**Revenue and cost of sales**

For the 1H FY2019, the Group revenue increased 2.4% to S\$44.7 million compared to 1H FY2018 total revenue of S\$43.6 million. The higher revenue from Precision Manufacturing segment of S\$3.7 million which were offset by lower sales from Equipment Manufacturing of S\$1.8 million and Trading and Others segment of S\$0.8 million.

Cost of sales decreased 7.4% or S\$2.9 million from S\$39.2 million in 1H FY2018 to S\$36.3 million in 1H FY2019. The gross margin in 1H FY2019 was improved by 9% to 19% from 10% in 1H FY2018 primarily due to a decrease in cost of sales which was in tandem with an initiative carried out to move some labour-intensive work to low operation cost region and lesser provision of stock obsolescence in 1H FY2019 compared to 1H FY2018.

**Other operating income**

Compared to 1H FY2018, other operating income decreased by S\$0.1 million from S\$0.7 million to S\$0.6 million in 1H FY2019. This was primarily caused by lesser income generated from government grants, dormitory income and scrap sale in 1H 2019.

**Selling and distribution expenses**

Selling expenses mainly comprise staff costs of our sales and marketing staff, outward freight, travelling and marketing expenses, and other related expenses. Compared to 1H FY2018, expenses for 1H 2019 was remained relatively constant at S\$1.1 million.

**Administrative expenses**

Administrative expenses mainly comprise of staff costs, Directors' fee and compensation, depreciation charge in relation to non-production assets, amortisation of intangible assets, professional fees, foreign exchange and other office expenses.

Administrative expenses decreased S\$0.3 million or 10%, from S\$3.3 million in 1H FY2018 to S\$3.0 million in 1H FY2019, mainly attributed to the absence of one-time expenses of retirement packages of S\$0.5 million paid to the former executive chairman in 1H FY2018.

### **Other operating expenses**

Total other operating expenses was S\$0.1 million in 1H 2019 arose from forex exchange loss which primarily attributed to borrowings and finance leases denominated in United States Dollar (“USD”) and Japanese Yen (“Yen”).

### **Finance expenses**

Finance costs increased S\$0.2 million from S\$0.8 million in 1H FY2018 to S\$1.0 million in 1H FY2019, mainly due to one-time break funding cost of S\$0.1 million in relation full settlement of hire purchases before maturity and recognition of S\$0.1 million interest in relation to an adoption of new accounting standards SFRS(I) 16: Leases.

### **Income tax expenses**

The Group recorded a total income tax expense of S\$0.5 million in 1H FY2019 mainly due to tax expenses arising from the origination and reversal of temporary differences.

### **Group Performance**

*Note: all figures rounded to the nearest single decimal point. Any discrepancies between the listed amounts and the totals thereof are due to rounding.*

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

### **Non-current assets**

Total non-current assets increased by S\$3.6 million mainly attributed to property, plant and equipment additions of S\$0.2 million and an initial recognition of rights-of-use assets at S\$6.7 million, pursuant to an adoption of new accounting standard SFRS(I) 16: Leases at the beginning of the year 2019 before offset an amortisation and depreciation charge of S\$3.3 million in 1H FY2019.

### **Trade and other receivables**

Trade and other receivables increased by S\$0.9 million from S\$22.7 million as at 31 December 2018 to S\$23.6 million as at 30 June 2019. The increase was mainly due to fluctuations arising from timing of payments made by customers.

### **Trade and other payables**

Trade and other payables decreased by S\$3.3 million from S\$15.5 million as at 31 December 2018 to S\$12.2 million as at 30 June 2019. This reduction was mainly due to fluctuation arising from timing of payments made to creditors.

### **Lease liability-finance leases**

The Group's total obligation under finance leases decreased by S\$3.9 million from S\$6.6 million as at 31 December 2018 to S\$2.7 million as at 30 June 2019. This reduction was attributed to the repayment of S\$4.2 million in 1H FY2019 before offset a new finance lease of S\$0.3 million for new machine.

### **Bank Loans**

The Group's total loans and borrowings increased S\$0.9 million from S\$36.6 million as at 31 December 2018 to S\$37.5 million as at 30 June 2019. This increase was due to additions term loan of S\$3.4 million which partially offset by term loans repayment of S\$1.6 million and revolving credit facilities of S\$0.9 million in 1H FY2019.

### **Lease liability-operating leases**

Total lease liabilities as at 30 June 2019 was S\$6.5 million, pursuant to an adoption of new accounting standard SFRS(I) 16: Leases at the beginning of the year 2019. The initial recognition was S\$6.6 million before a discounted lease payment of S\$0.1 million was recognised in 1H FY2019.

## **Deferred tax liabilities**

Deferred tax liabilities increased S\$0.4 million to S\$1.7 million in 1H FY2019 from S\$1.3 million in 1H FY2018 primarily due to deferred tax expenses arising from the origination and reversal of temporary differences.

## **Statement of cash flows of the Group**

Net cash generated from operating activities of S\$5.9 million in 1H FY2019 was mainly due to the improvement in cash generated before movement in working capital by S\$3.5 million compared to 1H FY2018.

Net cash used in financing activities amounted to S\$2.9 million in 1H FY2019. This was attributed to lease liabilities repayment of S\$4.3 million which was partially offset with net borrowing of S\$0.9 million and proceeds from issue of share capital of S\$0.5 million in 1H FY2019.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

Aerospace segment continues as the mainstream revenue of the Group. The Aerospace industry and orders remain buoyant with strong fundamentals based on the information we received from the customers and is consistent with the various reports from different market analysts. We have been constantly engaging with existing customers for new projects and additional works, on top of the existing orders that we have already won from them. We have also been aggressively pursuing new customers to enlarge our portfolio and customer base.

The group's oil and gas segment continued to make steady progress with improving orders on hand and general level of enquiries from existing customers is encouraging even as this segment remains challenging and uncertain.

Despite equipment manufacturing segment was slowing down in 1H FY2019 due to moderation in the global demand for its semiconductors, the group has achieved better gross margin during the period by moving some labour-intensive work to low operation cost region, the group continues to streamline its operation to mitigate probable impact caused by a weaken economic environment.

The US-China trade tension and the changes in the global trade agreements have disrupted many supply chains across the world especially in China. Aerospace OEMs are looking for risk mitigation and this has actually created a very exceptional opportunity for JEP, who has well positioned ourselves with strong Aerospace manufacturing know-how, excellent quality performance, and competitive manufacturing cost strategy.

11. **If a decision regarding dividend has been made:**

- (a) **Whether an interim (final) ordinary dividend has been declared (recommended):**  
**and**

None

- (b) **Corresponding Period of the immediately preceding financial year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**

None

(c) **Date payable**  
Not applicable

(e) **The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for 1<sup>st</sup> half-year of the financial year ending 31 December 2019. The available fund will be retained for working capital use.

**13. If the group has obtained a general mandate from the shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

The Group has obtained a general mandate from its shareholders for IPTs at EGM held on 23 April 2019.

As shown in the table below, the aggregate value of all interested person transaction during the period was approximately 4.68% of the group's latest audited net tangible assets as at 31 December 2018.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <a href="#">Rule 920</a> )	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	<b>30 June 2019</b>	<b>30 June 2019</b>
UMS Holdings Limited & its subsidiaries	S\$374,691	S\$1,231,037

**14. Negative confirmation pursuant to Rule 705(5).**

Luong Andy and Zee Hoong Huay, being two directors of the JEP Holdings Limited (the "Company"), do hereby confirm on behalf of the Board of Directors (the "**Board**") of the Company that, to the best of the Board's knowledge, nothing has come to the attention of the Board which may render the unaudited financial results for the 1st half ended 30 June 2019 to be false or misleading in any material aspect.

**15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).**

The Company confirmed that it has procured undertakings from all of its directors and executive officers in the format set out in Appendix 7H under Rule 720(1) of the Catalyst Rules.

**BY ORDER OF THE BOARD**

Andy Luong  
Executive Chairman and Chief Executive Officer  
14 August 2019

*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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