



JEP Holdings Ltd.
44 Changi South Street 1
Singapore 486762
Tel: (65) 6545 4222 / Fax: (65) 6545 2823
(Company Registration No.: 199401749E)

MEDIA RELEASE

JEP to acquire trading company dealing in cutting tools

- Target company is currently a supplier to JEP
- The resulting vertical integration is expected to diversify earnings, reduce costs, and strengthen JEP's market position
- Funded by the issuance of 120.0 million shares
- JEP is entitled to receive a dividend of S\$1.0 million from the deal

15 July 2015 – JEP Holdings Ltd., ("JEP", and together with its subsidiaries, "the Group"), a leading provider of value-added aerospace engineering solutions, announced today that it had entered into a sale and purchase agreement to acquire the entire issued and paid-up capital from the two shareholders of JEP Industrades Pte Ltd ("JEPI"). JEPI is a trading company which markets cutting tools such as indexable carbide inserts, tool holders, milling cutters, boring bars, and drill bits. The purchase consideration comprises the issue and allotment of 120.0 million shares in the Group. As part of the agreement, the Group will receive S\$1.0 million in dividends, paid from the earnings of JEPI. Once the payment of this dividend has been completed, JEPI's subsequent net profit after tax would then be paid back to its original shareholders, up to a maximum payout of S\$4.0 million, over the period of FY2016 to FY2018.

JEPI has a wide and diversified customer base, and its products are used in various sectors including aerospace and oil and gas, which constitute the bulk of the Group's revenue. As such, the Group expects that this acquisition will strengthen its foothold in these sectors, and could also provide opportunities to build new customer relationships.

Based on the unaudited management accounts as at 30 June 2015, JEPI recorded a net profit of approximately S\$1.8 million, and had net tangible assets of approximately S\$7.1 million.

"This vertical integration of JEPI, one of our existing suppliers, will enable a reduction of costs in their order fulfilment to us, while eliminating the leasing costs for their facilities as we will accommodate them on our own premises. Aside from the cost savings, the acquisition will diversify our revenue streams and should also strengthen our position in the competitive global market."

- **Mr. Joe Lau, Executive Chairman and CEO, JEP Holdings Ltd.**

Upon completion of the acquisition, Mr. Zee Hoong Huay, majority shareholder of JEPI, will be appointed as an Executive Director of JEP. JEPI's board will consist of Mr. Zee Hoong Huay as well as JEP's Executive Chairman and CEO, Mr. Joe Lau.

About JEP Holdings Ltd.

JEP Holdings Ltd. is a solution provider of high value, integrated and specialised precision machining and engineering services for a number of industries, with a primary focus on the aerospace industry, as well as oil and gas and equipment manufacturing industries. The Group provides seamless manufacturing solutions with a value chain of high end precision machining, supported by modular assembly of sub-systems, advanced machine and equipment and full system integration capabilities.

Founded in 1998 and led by a dedicated and experienced management team, the Group is headquartered in Singapore, with two facilities for manufacturing and the provision of secondary processes related to engineering services. JEP has an established network of customers in the aerospace industry, stretching across North America, Europe, and Japan.

Listed on SGX Catalist since 2004, the Group was formerly known as Alantac Technology Ltd. and changed its name in May 2010.

For more information, please visit <http://www.jep-holdings.com>.

Media/IR Contacts:

Koh Bee Ann, NRA Capital

Tel: 6236 6878

Email: beeann.koh@nracapital.com

Evan Ong, NRA Capital

Tel: 6236 6895

Email: evan.ong@nracapital.com

*This media release has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, Stamford Corporate Services Pte Ltd (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this media release. This media release has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this media release including the correctness of any of the statements or opinions made or reports contained in this media release.*

The contact person for the Sponsor is Mr. Ng Joo Khin.

Telephone number: 6389 3000 Email: jookhin.ng@stamfordlaw.com.sg