

CIRCULAR DATED 5 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

IF YOU ARE IN ANY DOUBT ABOUT ITS CONTENTS OR THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the capital of JEP Holdings Ltd. (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the Company represented by physical share certificate(s), you should forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular 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 Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness, or correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional; Address: RHT Capital Pte. Ltd., 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619; Telephone: 6381 6757.



JEP HOLDINGS LTD.

(Incorporated in the Republic of Singapore on 12 March 1994)
(Company Registration No.: 199401749E)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE; AND**
- (2) THE PROPOSED PURCHASE OF MACHINERY FROM AN INTERESTED PERSON UNDER CHAPTER 9 OF THE CATALIST RULES.**

Independent Financial Adviser to the Non-Interested Directors of the Company in relation to the Interested Person Transactions General Mandate and the Proposed Acquisition (as defined herein)



PROVENANCE CAPITAL PTE. LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200309056E)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 April 2019 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	23 April 2019 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Carlton Hotel Singapore, Level 2, Empress Ballroom 4, 76 Bras Basah Road, Singapore 189558

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:

- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “AGM”** : The annual general meeting of the Company
- “associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its Subsidiary or holding company or is a Subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “associated company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
- “Audit Committee”** : The audit committee of the Company from time to time
- “Board”** : The board of Directors of the Company as at the date of this Circular or from time to time, as the case may be
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : SGX-ST Listing Manual Section B: Rules of Catalist, as the same may be amended, varied or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This Circular to Shareholders dated 5 April 2019
- “Company”** : JEP Holdings Ltd.
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company
- “Director”** : A director of the Company as at the date of this Circular or from time to time, as the case may be

DEFINITIONS

“EGM”	:	The extraordinary general meeting of the Company to be held on 23 April 2019, notice of which is set out on pages 21 to 22 of this Circular
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“IFA” or “Independent Financial Adviser”	:	Provenance Capital Pte. Ltd., being the independent financial adviser to the Non-Interested Directors of the Company in relation to the proposed adoption of the IPT General Mandate and the Proposed Acquisition
“IFA Letter in relation to the proposed adoption of the IPT General Mandate”	:	The letter dated 5 April 2019 from the IFA to the Non-Interested Directors in relation to the proposed adoption of the IPT General Mandate, a copy of which is enclosed as Appendix I to this Circular
“IFA Letter in relation to the Proposed Acquisition”	:	The letter dated 5 April 2019 from the IFA to the Non-Interested Directors in relation to the Proposed Acquisition, a copy of which is enclosed as Appendix II to this Circular
“Independent Director”	:	An independent director of the Company
“Independent Valuer”	:	Hilco Appraisal Singapore Pte Ltd
“Interested Person”	:	Has the meaning ascribed to the term in Section 2.1 of this Circular
“Interested Person Transactions”	:	The category of transactions set out in Section 2.4 of this Circular with the Interested Persons
“IPT General Mandate”	:	A general mandate given by Shareholders pursuant to Chapter 9 of the Catalist Rules to authorise the Company and its subsidiaries which are considered to be “entities at risk” within the meaning of Rule 904(2) of the Catalist Rules, in their ordinary course of businesses, to enter into categories of transactions with specified classes of the Company’s Interested Persons, provided that such transactions are entered into on an arm’s length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
“Latest Practicable Date”	:	26 March 2019, being the latest practicable date prior to the printing of this Circular
“NAV”	:	Net asset value
“Notice of EGM”	:	The notice of EGM accompanying this Circular
“Non-Interested Director”	:	The Directors of the Company who are independent for the purposes of the proposed adoption of the IPT General Mandate and the Proposed Acquisition, namely, Mr Zee Hoong Huay, Mr Wong Gang, Mr Kong Chee Keong and Mr Chung Chi-Te
“NTA”	:	Net tangible assets
“Proposed Acquisition”	:	Has the meaning ascribed to the term in Section 3.1 of this Circular
“Proxy Form”	:	The proxy form accompanying this Circular

DEFINITIONS

“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholder” or “Shareholders”	:	The registered holders of the Shares (other than the CDP) and in the case of Depositors, Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“Sponsor”	:	RHT Capital Pte. Ltd.
“subsidiaries”	:	Shall bear the meaning ascribed in Section 5 of the Companies Act and “Subsidiary” shall be construed accordingly
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all voting Shares of the Company
“UMS”	:	UMS Holdings Limited, a Controlling Shareholder of the Company as at the Latest Practicable Date
“UMS Group”	:	UMS and its subsidiaries
“Valuation Report”	:	The valuation report dated 5 March 2019 issued by the Independent Valuer, an extract of which is enclosed in Appendix III to this Circular
“S\$”	:	Singapore dollar
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders.

Any word defined under the Act, the Catalist Rules or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Act, the Catalist Rules or any statutory modification thereof, as the case may be. Summaries of the provisions of any laws and regulations (including the Catalist Rules) as the Latest Practicable Date.

Any reference to a time of a day in the Circular is a reference to Singapore time unless otherwise stated.

LETTER TO SHAREHOLDERS

JEP HOLDINGS LTD.

(Incorporated in the Republic of Singapore on 12 March 1994)
(Company Registration No.: 199401749E)

Directors

Mr Luong Andy (Executive Chairman and Chief Executive Officer)
Mr Zee Hoong Huay (Executive Director)
Mr Wong Gang (Lead Independent Director)
Mr Kong Chee Keong (Independent Director)
Mr Chung Chi-Te (Independent Director)

Registered Office

16 Seletar Aerospace
Crescent
Singapore 797567

5 April 2019

Dear Sirs,

1. INTRODUCTION

1.1 EGM

The Directors are convening an EGM to be held on 23 April 2019 to seek Shareholders' approval for the following ordinary resolutions: -

- (a) the proposed adoption of the IPT General Mandate; and
- (b) the Proposed Acquisition,

(collectively, the "**Proposed Resolutions**").

1.2 Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to and explaining the rationale for the Proposed Resolutions which shall be tabled at the EGM, the notice of which is set out on pages 21 to 22 of this Circular. The Circular has been prepared solely for the purpose set out herein and may not be relied on by any persons (other than Shareholders) nor for any other purpose.

The SGX-ST takes no responsibility for the accuracy or correctness of any statements or opinions made, or reports contained in this Circular.

2. THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

2.1 Background

In January 2018, UMS became a Controlling Shareholder of the Company. As at the Latest Practicable Date, UMS directly holds 111,748,275 Shares representing approximately 27.89% of the Company's issued and paid up share capital (excluding treasury shares). As a Controlling Shareholder, UMS is deemed as an interested person ("**Interested Person**") within the meaning of Chapter 9 of the Catalyst Rules and transactions between the Group and the UMS Group are deemed interested person transactions ("**Interested Person Transactions**") within the meaning of Chapter 9 of the Catalyst Rules.

The UMS Group is principally engaged in the business of providing equipment manufacturing and engineering services to original equipment manufacturers of semiconductors and related products. Among others, UMS has one (1) 70%-owned subsidiary, Starke Singapore Pte Ltd, which is principally involved in the supply of aluminium alloy products.

LETTER TO SHAREHOLDERS

Since UMS became a Controlling Shareholder of the Group, the Group has been leveraging on the operational strengths of the UMS Group by entering into certain recurrent transactions (as set out in Section 2.4.1 of this Circular) with the UMS Group in the ordinary course of business of the Group. For the financial year ended 31 December 2018 (“FY2018”), the value of such Interested Person Transactions amounted to S\$879,350. From 1 January 2019 until the Latest Practicable Date, the value of such Interested Person Transactions amounted to S\$562,448.

As it is anticipated that the Group will continue to transact with the UMS Group, the Company is seeking Shareholders’ approval at the EGM for the proposed adoption of the IPT General Mandate (as set out in Section 2.4 of this Circular) pursuant to the requirements of Chapter 9 of the Catalist Rules to allow the entities within the Group that are considered to be “entities at risk” within the meaning of Chapter 9 of the Catalist Rules, to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company’s Interested Persons, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

2.2 Chapter 9 of the Catalist Rules

Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (each known as an entity at risk) enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that such interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an “approved exchange” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Catalist Rules;
- (b) an “entity at risk” means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (c) an “interested person” means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder;
- (d) an “interested person transaction” means a transaction between an entity at risk and an interested person;
- (e) “financial assistance” includes: (a) the lending or borrowing of money, the guaranteeing or providing security for a debt incurred or the indemnifying of a guarantor for guaranteeing or providing security; and (b) the forgiving of a debt, the releasing of or neglect in enforcing an obligation of another, or the assuming of the obligations of another; and
- (f) a “transaction” includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

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Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions are excluded from certain requirements of Chapter 9 of the Catalist Rules, the listed company is required to make an immediate announcement and/or to seek its shareholders' approval for the transaction.

An immediate announcement is required where:

- (a) the value of a interested person transaction is equal to, or more than, three per cent. (3%) of the listed group's latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year amounts to three per cent. (3%) or more of the listed group's latest audited NTA.

In addition, shareholders' approval (in addition to an immediate announcement) is required for an interested person transaction of a value equal to, or exceeding:

- (a) five per cent. (5%) of the listed group's latest audited NTA; or
- (b) five per cent. (5%) of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For the purposes of aggregation, any interested person transactions below S\$100,000 each are to be excluded. Nevertheless, the Company will subject all Interested Person Transactions under the IPT General Mandate, including those below S\$100,000, to the guidelines and review procedures set out in Section 2.5 of the Circular.

For FY2018, the aggregate value of the Interested Person Transactions entered into between the Group and the UMS Group of S\$879,350 is approximately 2.85% of the Group's audited NTA of S\$30.85 million for FY2017 and hence did not require an announcement or Shareholders' approval. From 1 January 2019 until the Latest Practicable Date, the value of such Interested Person Transactions amounted to S\$562,448.

Rule 920 of the Catalist Rules allows a listed company to seek a general mandate from its shareholders for recurrent transactions with interested persons where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

As it is anticipated that the Group will continue to transact with the UMS Group, the Company is seeking Shareholders' approval at the EGM for the proposed adoption of the IPT General Mandate pursuant to Rule 920 of the Catalist Rules. As an illustration, based on the Group's audited NTA of S\$34.26 million for FY2018, 5% of the Group's latest audited NTA would be S\$1.71 million and 3% of the Group's latest audited NTA would be S\$1.03 million.

2.3 Rationale and benefits of the adoption of the IPT General Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the adoption of the IPT General Mandate to enable the Group to enter in the ordinary course of business into any of the mandated transactions with specified classes of the Company's Interested Persons, provided that such transactions are made on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, and in accordance with the review procedures for such transactions.

LETTER TO SHAREHOLDERS

The IPT General Mandate, if approved by the Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate Interested Person Transaction to be entered into between the Group and the Interested Persons of a revenue nature or those necessary for its business or operations. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The Group will benefit from having access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons, and transactions with Interested Persons also represent an additional source of revenue for the Group.

The proposed IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. This allows the Group to leverage on the operational strengths of its Interested Persons and reduce overlapping costs to achieve greater growth.

2.4 The IPT General Mandate

2.4.1 Nature and scope of the Interested Person Transactions

The IPT General Mandate will apply to the following categories of transactions with the Interested Persons:

(a) Trading transactions

This category of Interested Person Transactions includes:

- (i) the sale of cutting tools by the Group to the UMS Group; and
- (ii) the purchase of raw materials from the UMS Group.

The Group supplies cutting tools to certain members of the UMS Group which are primarily engaged in the business of manufacturing components for the semiconductor industry.

The Group also purchases raw materials, namely aluminium blocks and other aluminium products from certain members of the UMS Group for the Group's precision machining and fabrication operations.

(b) Sub-contracting services

This category of Interested Person Transactions includes:

- (i) procuring subcontracting services from the UMS Group for metal fabrication works and machining works; and
- (ii) providing subcontracting services to the UMS Group for machining works.

In this category of Interested Person Transactions, the Group procures subcontracting services from the UMS Group by engaging certain members of the UMS Group to act as subcontractors for its metal fabrication and machining works for its projects relating to manufacturing of integrated plating lines, machine frames and enclosures. The Group will be the main contractor of such projects.

The Group also intends to provide subcontracting services by acting as subcontractors for certain members of the UMS Group which are engaged in the manufacturing of components for the semiconductor industry by providing machining works, primarily for high precision machining projects.

LETTER TO SHAREHOLDERS

2.4.2 Classes of Interested Persons

The classes of Interested Persons to be covered in the IPT General Mandate comprise UMS, its subsidiaries and associated companies.

The UMS Group is principally engaged in the business of providing equipment manufacturing and engineering services to original equipment manufacturers of semiconductors and related products. Among others, UMS has one (1) 70%-owned subsidiary, Starke Singapore Pte Ltd, which is the only subsidiary that is principally involved in the supply of aluminium alloy products.

2.5 **Guidelines and review procedures for Interested Person Transactions**

To ensure that the Interested Person Transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company has put in place guidelines and review procedures for the Interested Person Transactions under the IPT General Mandate as set out below in this section.

All Interested Person Transactions shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties after taking into account the requirements, specifications, complexity, industry norms, capacity availability and resources required.

All relevant members of the Group which are involved in the review procedures as set out below shall have no interest, direct or indirect, in the Interested Person Transactions.

2.5.1. Guidelines and review procedures

(a) Trading transactions

For Interested Person Transactions involving the sale and purchase of tools and raw materials with the UMS Group, the general manager of the Group or equivalent; and the Financial Controller of the Group shall review and compare the pricing and terms of the Interested Person Transactions with that of at least two other transactions of a similar nature with unrelated third parties. During the review and comparison, the Group shall also take into account factors such as the requirements, specifications, delivery time of goods and services, industry norms, complexity and resources required for when transacting with the Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods, the general manager of the Group or equivalent and the Financial Controller of the Group shall, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from experienced personnel of the project team to assess whether the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the goods and services, the requirements, specifications, delivery time of goods and services, industry norms, complexity and resources required for when transacting with the Interested Persons.

(b) Sub-contracting services

Procuring sub-contracting services from the UMS Group

A commercial manager or other employee of the Group with an equivalent designation and who is familiar with the terms and complexity of contracts of similar nature to that of the Interested Person Transactions shall compare the pricing and terms of the Interested Person Transactions with that of at least two (2) other similar services/contracts entered into with unrelated third parties or two (2) other

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quotations from unrelated third parties for the same or substantially similar type of sub-contracting services. The general manager of the Group or equivalent and the Financial Controller of the Group will review the evaluation of the price and terms performed by the commercial manager or other employee of the Group with an equivalent designation.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Interested Person Transactions are consistent and/or not less favourable to the Group when compared with similar type of transactions or quotations between the Group and unrelated third parties.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the commercial manager or other employee of the Group with an equivalent designation, together with (i) the general manager of the Group or equivalent and (ii) the Financial Controller of the Group shall, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from experienced personnel of the project team in order to assess whether the pricing and terms provided to the Interested Persons are consistent with the Group's usual business practices, on an arm's length basis and on market terms that are beneficial to and in the best interest of the Group; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the cost and feasibility of carrying out such services/work internally, potential cost savings achieved through the transaction, the quality and nature of the services, requirements, specifications, delivery schedules, industry norms, credit terms, complexity, technical capability and expertise required to carry out the project and/or strategic purpose of the transaction, where applicable.

Providing sub-contracting services to the UMS Group

A commercial manager or other employee of the Group with an equivalent designation and who is familiar with the terms and complexity of contracts of similar nature to that of the Interested Person Transactions, shall compare the pricing and terms of the Interested Person Transactions with that of at least two (2) other similar services / contracts entered into with unrelated third parties or two (2) other quotations from unrelated third parties for the same or substantially similar type of sub-contracting services. The general manager of the Group or equivalent and the Financial Controller of the Group will review the evaluation of the price and terms performed by the commercial manager or other employee of the Group with an equivalent designation.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the Interested Person Transactions are consistent and/or not more favourable to the UMS Group when compared with similar type of transactions or quotations between the Group and unrelated third parties.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the commercial manager or other employee of the Group with an equivalent designation, together with the general manager of the Group or equivalent and the Financial Controller shall, take such necessary steps which would include but is not limited to: (1) relying on corroborative inputs from experienced personnel of the project team in order to assess whether the pricing and terms provided by the Interested Persons are consistent with the Group's usual business practices, on an arm's length basis and on market terms that are beneficial to and in the best interest of the Group; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical capabilities, nature of the services, requirements, specifications, delivery schedules, industry norms, payment milestones, size of the contract, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, where applicable.

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2.5.2. Approval threshold limits

In addition to the guidelines and review procedures set out in Section 2.5.1 above, before entering into the Interested Person Transactions, each of the Interested Person Transactions will be subject to the pre-approval by the relevant authorities according to the value of the Interested Person Transaction as set out in the approval matrix below:

Interested Person Transactions – Approval Matrix		
Value of each Interested Person Transaction as a percentage of the latest audited NTA of the Group	Approving authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are comparable transactions or quotations	Approving authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are no comparable transactions or quotations
Less than 3%	Officer-in-charge ⁽¹⁾ and the Financial Controller	Any Executive Director and the Financial Controller
Equal to or exceeding 3%, but less than 5%	Any Executive Director and the Financial Controller	Any Executive Director and the Financial Controller
Equal to or exceeding 5%	Majority of the Audit Committee	Majority of the Audit Committee

Note:

- (1) Officer-in-charge refers to the general manager or its equivalent or a more senior personnel of the relevant member of the Group carrying out the Interested Person Transaction.

The approval threshold limits set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the Interested Person Transactions as well as the Group's day-to-day operations, administration and businesses.

The approving authorities under the approval matrices above ("**Approving Authorities**") may, if they deem fit, have the right to require the appointment of independent advisers and/or valuers from external or professional sources to provide additional information or review of controls and implementation pertaining to the Interested Person Transactions under review.

In the event that any of the Approving Authority has an interest in the Interested Person Transaction under consideration for approval, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher level of Approving Authority in accordance with the approval matrices above (each having no interest, direct or indirect, in the Interested Person Transaction).

In the event that any member of the Audit Committee has an interest in the Interested Person Transactions, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit Committee (each having no interest, direct or indirect, in the Interested Person Transaction).

2.5.3. Additional guidelines and review procedures

In addition to the guidelines and review procedures set out in Section 2.5.1 and Section 2.5.2 above, the Company will also implement the following additional guidelines and procedures to ensure that the Interested Person Transactions carried out under the IPT General Mandate are undertaken on an arm's length basis and on normal commercial terms:

- (i) Maintain a register of Interested Person Transactions

The Company will maintain a register to record all Interested Person Transactions (including those below S\$100,000 in value) which include all information pertinent to the Interested Person Transactions, such as but not limited to, the identity of the Interested Persons involved

LETTER TO SHAREHOLDERS

in the Interested Person Transactions, the value of the Interested Person Transactions, the nature and scope of the Interested Person Transactions, basis and rationale for entering into the Interested Person Transactions, including the quotations and other evidence obtained to support such basis with written approvals. The register of Interested Person Transactions is prepared, maintained and monitored by senior personnel such as the Financial Controller of the Group (who shall not be interested in any of the Interested Person Transactions) and who are duly delegated to do so by the Audit Committee.

In addition, the Company will maintain a list of Interested Persons and their associates (as defined in the Catalist Rules) which shall be reviewed by the Financial Controller at least once every six months and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

(ii) Review by Audit Committee

Members of the Audit Committee will periodically, at least on a half-yearly basis, review the basis and documents of all approved Interested Person Transactions (including Interested Person Transactions below S\$100,000 in value) to ensure that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that Interested Person Transactions are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The Audit Committee will also review, at least on a half-yearly basis, the established guidelines and review procedures of the Interested Person Transactions and determine if such guidelines and review procedures continue to be adequate and/or commercially practicable in ensuring that the Interested Person Transactions are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures. During the period prior to obtaining such fresh mandate from Shareholders, all Interested Person Transactions will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Catalist Rules.

(iii) Review by internal auditors

The Group will incorporate a review of Interested Person Transactions in its internal audit plan. The internal auditors will review the Interested Person Transactions to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the Interested Person Transactions have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(iv) Review by external auditors and/or other professional advisers

The Group's external auditors will review the Interested Person Transactions on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit samples to the Audit Committee. In addition, the Audit Committee, shall, when it deems fit, have the right to require the appointment of independent advisers to advise on the transactions under review or approved or to advise on the guidelines and review procedures. The outcome of such review shall be documented and minuted.

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2.6 Validity period of the IPT General Mandate

The proposed adoption of the IPT General Mandate is subject to Shareholders' approval at the EGM and, if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM (or EGM held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons.

2.7 Disclosures

The Company shall announce the aggregate value of Interested Person Transactions conducted with Interested Persons pursuant to the IPT General Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Catalist Rules.

Disclosure shall also be made in the annual report of the Company of the aggregate value of the Interested Person Transactions conducted with the Interested Persons pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force in accordance with Rule 920(1)(a)(i) of the Catalist Rules.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions shall be presented in the following format in accordance with Rule 907 of the Catalist Rules:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Aggregate value of all Interested Person Transactions conducted under the Shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000)
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2.8 Advice of the Independent Financial Adviser to the Non-Interested Directors

Provenance Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Non-Interested Directors (being Mr Zee Hoong Huay and all the Independent Directors) to, *inter alia*, opine on whether the guidelines and review procedures as set out in Section 2.5 of this Circular are sufficient to ensure that the Interested Person Transactions covered under the IPT General Mandate will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in their letter dated 5 April 2019 to the Non-Interested Directors, the Independent Financial Adviser is of the opinion that the guidelines and review procedures for determining the terms of the Interested Person Transactions as set out in Sections 3.4 and 3.5 of the IFA Letter and in Section 2.5 of this Circular, if adhered to, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

The IFA Letter in relation to the proposed adoption of the IPT General Mandate is reproduced in Appendix I to this Circular. Shareholders are advised to read the IFA Letter in relation to the proposed adoption of the IPT General Mandate carefully.

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2.9 Audit Committee Statement

The Audit Committee, having considered, *inter alia*, the rationale, benefits and the guidelines and review procedures for the Interested Person Transactions and the reviews to be made periodically by the Audit Committee in relation thereto, are of the view that the guidelines and review procedures set out in Section 2.5 above for determining transaction prices in respect of the Interested Person Transactions are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED PURCHASE OF MACHINERY FROM AN INTERESTED PERSON UNDER CHAPTER 9 OF THE CATALIST RULES

3.1 Background

On 26 March 2019, the Company announced that the Group proposes to purchase an aggregate of up to 16 units of computer numerical control machines (“**CNC Machines**” or the “**Machinery**”) from the UMS Group for an aggregate consideration of not more than S\$4.36 million (the “**Proposed Acquisition**”).

The Company has presently identified 4 units of CNC Machines (“**Initial Batch of Machinery**”) to be acquired from the UMS Group and is contemplating further potential purchases of up to another 12 units of machinery (“**Future Batches of Machinery**”) from the UMS Group in the future.

For the Initial Batch of Machinery, the Company had commissioned a valuer which had determined the market valuation of the Initial Batch of Machinery to be S\$1.36 million as at 4 March 2019. Accordingly, the purchase consideration for the Initial Batch of Machinery will not be more than the market valuation of S\$1.36 million (“**Maximum Initial Consideration**”).

The actual units of the Future Batches of Machinery have yet to be finalised and hence the exact consideration cannot be determined currently as it will also depend on further valuation exercises to be conducted. The Company has estimated that the potential aggregate consideration for such Future Batches of Machinery to be not more than S\$3.00 million (“**Maximum Future Consideration**”). Accordingly, the total purchase consideration of the 16 units of Machinery from the UMS Group is estimated to be not more than S\$4.36 million (“**Estimated Maximum Consideration**”).

The Machinery shall be utilised by the Group in its ordinary course of business. Subject to the approval of Shareholders for the Proposed Acquisition, the Group shall issue a purchase order (“**Purchase Order**”) for each separate batch of Machinery to be purchased by the Company.

Assuming that the aggregate consideration for the Proposed Acquisition is the Estimated Maximum Consideration, the Proposed Acquisition will constitute (i) an interested person transaction as defined under Chapter 9 of the Catalist Rules, which value exceeds 5% of the latest audited NTA of the Group; and (ii) a discloseable transaction under Chapter 10 of the Catalist Rules.

Accordingly, the Proposed Acquisition is subject to the approval of Shareholders under Rule 906 of the Catalist Rules by way of an ordinary resolution. Further details of the Proposed Acquisition are set out in Section 3.2 of this Circular.

3.2 The Proposed Acquisition

3.2.1 Salient terms of the Proposed Acquisition

Each Purchase Order shall set out, *inter alia*, (i) the details of the Machinery including the number of units of CNC Machines to be purchased; (ii) purchase price of each respective unit of CNC Machine; (iii) payment and delivery dates; and (iv) the independent market valuation of the Machinery to be purchased.

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The Proposed Acquisition is subject to the approval of Shareholders under Rule 906 of the Catalyst Rules by way of an ordinary resolution.

The authority conferred by the ordinary resolution in respect of the Proposed Acquisition shall expire on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (ii) the date on which the purchases of the Machinery by the Company pursuant to the Proposed Acquisition are carried out to the full extent mandated,

unless varied or revoked by the Company in general meeting.

Save as set out above, there are no other salient terms for the Proposed Acquisition.

3.2.2 Proposed Acquisition to be effected in batches

The Proposed Acquisition will be effected in batches. As disclosed in Section 3.1 of this Circular, the Group will issue a Purchase Order for each batch of Machinery to be purchased. The Company will make an announcement whenever a Purchase Order is issued.

3.2.3 Valuation of the Machinery

Initial Batch of Machinery

For the Initial Batch of Machinery, the Company had commissioned an Independent Valuer, Hilco Appraisal Singapore Pte Ltd, which had determined the market valuation of the Initial Batch of Machinery to be S\$1.36 million as at 4 March 2019, based primarily on the cost approach in establishing the fair market value of the Machinery.

Please refer to Appendix III of this Circular for an extract of the Valuation Report.

Accordingly, the purchase consideration for the Initial Batch of Machinery will not be more than the market valuation of S\$1.36 million, being the Maximum Initial Consideration.

Future Batches of Machinery

The actual units of the Future Batches of Machinery have yet to be finalised and hence the exact consideration cannot be determined currently as it will depend on further valuation exercises to be conducted. The Company has estimated that the potential aggregate consideration for such Future Batches of Machinery to be not more than S\$3.00 million, being the Maximum Future Consideration.

3.2.4 Consideration

The Estimated Maximum Consideration for the Proposed Acquisition is S\$4.36 million which shall be satisfied entirely by the Company in cash. The Estimated Maximum Consideration takes into consideration the open market value of the Initial Batch of Machinery of S\$1.36 million, being the Maximum Initial Consideration based on the Valuation Report, and assuming that the value of the Future Batches of Machinery does not exceed S\$3.00 million, being the Maximum Future Consideration.

The Company intends to utilise its internal resources and external bank borrowings to satisfy the Consideration.

There are no net profits attributable to the Machinery being acquired.

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3.3 Rationale for the Proposed Acquisition and benefits to the Company

The Company has budgeted for capital investment and intends to purchase the Initial Batch of Machinery to replace the existing old machinery for the Group's existing business operations in Singapore, and the Future Batches of Machinery for the Group's future expansion of its business operations and further replacement of existing old machinery for the Group's existing business operations in Singapore, where necessary. The purchase of Machinery is also expected to increase the Group's capacity in its precision machining and engineering services business.

The Proposed Acquisition will allow the Group to purchase used machinery which are well-maintained and at a lower cost compared to purchasing similar new machinery from unrelated third parties.

The Board is of the opinion that the Proposed Acquisition will enable the Group to enjoy immediate benefits as the Machinery have been well-maintained, are in good condition and are ready for immediate use and production runs.

3.4 The Proposed Acquisition as an interested person transaction under Chapter 9 of the Catalist Rules

3.4.1 Information on Interested Person

As disclosed in Section 2.1 above, in January 2018, UMS became a Controlling Shareholder of the Company. As at the Latest Practicable Date, UMS directly holds 111,748,275 Shares representing approximately 27.89% of the Company's issued and paid up share capital (excluding treasury shares). As a Controlling Shareholder, UMS Group is deemed as an Interested Person within the meaning of Chapter 9 of the Catalist Rules and transactions between the Group and the UMS Group are deemed interested person transactions within the meaning of Chapter 9 of the Catalist Rules.

The UMS Group is principally engaged in the business of providing equipment manufacturing and engineering services to original equipment manufacturers of semiconductors and related products.

3.4.2 Shareholders' approval for the Proposed Acquisition

Rule 906 of the Catalist Rules provides that shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) five per cent. (5%) of the listed group's latest audited NTA; or
- (b) five per cent. (5%) of the listed group's latest audited NTA, when aggregated with the values of other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 918 of the Catalist Rules provides that if a transaction requires shareholders' approval, it must be obtained either prior to the transaction being entered into or, if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 909 of the Catalist Rules provides that the value of a transaction is the amount at risk to the issuer. In the case of a partly-owned subsidiary or associated company, the value of the transaction is the issuer's effective interest in that transaction.

The amount at risk to the Company in respect of the Proposed Acquisition is the Estimated Maximum Consideration which amounts to S\$4.36 million, which constitutes approximately 12.7% of the Group's latest audited NTA of S\$34.26 million for FY2018.

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As the value of such consideration exceeds the financial threshold prescribed under Rule 906 of the Catalyst Rules, being 5% of the latest audited NTA of the Group for FY2018, Shareholders' approval of the Proposed Acquisition is required pursuant to Rule 906(1)(a) of the Catalyst Rules.

For the avoidance of doubt, in the event that the Company proposes to purchase more than the aggregate of 16 units of Machinery under the Proposed Acquisition and/or the final consideration for the purchase of Machinery exceeds the Estimated Maximum Consideration, separate approval will be sought from Shareholders as may be appropriate prior to the purchase.

3.4.3 Total value of interested person transactions

As at the Latest Practicable Date, the total value of all interested person transactions entered into by the Group with the Interested Persons (excluding all transactions which are less than S\$100,000 and the transactions contemplated under the proposed IPT General Mandate pursuant to Rule 920 of the Catalyst Rules) for the financial year ending 31 December 2019 is approximately S\$562,448.

As at the Latest Practicable Date, the total value of all interested person transactions entered into by the Group (excluding all transactions which are less than S\$100,000 and the transactions contemplated under the proposed IPT General Mandate pursuant to Rule 920 of the Catalyst Rules) for the financial year ending 31 December 2019 is approximately S\$562,448.

3.5 The Proposed Acquisition as a discloseable transaction under Chapter 10 of the Catalyst Rules

The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules in respect of the Proposed Acquisition and based on latest audited financial statements of the Group for FY2018 are as follows:

Rule 1006 of the Catalyst Rules	Description	Relative figures
(a)	The NAV of the assets to be disposed of, compared with the Group's NAV.	N.A. ⁽¹⁾
(b)	The net profits attributable to the assets disposed of, compared with the Group's net profits.	N.A. ⁽²⁾
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	7.3% ⁽³⁾
(d)	The number of equity securities issued as consideration for the acquisition, compared with the number of equity securities previously issued.	N.A. ⁽⁴⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of compared with the aggregate of the group's proved probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	N.A. ⁽⁵⁾

Notes:

- (1) Not applicable. There are no assets being disposed of in the Proposed Acquisition.
- (2) Not applicable. There are no net profits attributable to the Machinery to be purchased.
- (3) Based on the Estimated Maximum Consideration of S\$4.36 million and the market capitalisation of the Company of approximately S\$59.7 million as at the Latest Practicable Date.
- (4) Not applicable. No equity securities are proposed to be issued as consideration.
- (5) Not applicable. The Company is not a mineral, oil and gas company.

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As the applicable figures computed under Rule 1006(c) of the Catalist Rules exceeds 5% but is less than 75%, the Proposed Acquisition constitutes a “discloseable transaction” under Rule 1010 of the Catalist Rules.

3.6 Financial effects of the Proposed Acquisition

Please note that the financial figures set out below are for illustrative purposes only and do not necessarily reflect the actual results and financial performance of the Group after the Proposed Acquisition. No representation is made as to the actual financial position and/or results of the Group after the completion of the Proposed Acquisition.

The following financial effects of the Proposed Acquisition are computed based on the latest audited financial statements of the Group for FY2018 and the following bases and assumptions:

- (a) the financial effect on the NTA per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2018; and
- (b) the financial effect on the EPS is computed based on the assumption that the Proposed Acquisition was completed on 1 January 2018.

NTA per Share

	Before Proposed Acquisition	After Proposed Acquisition
NTA (S\$'000)	34,258	33,828
Number of issued Shares	396,256,066	396,256,066
NTA per Share (cents)	8.65	8.54

EPS

	Before Proposed Acquisition	After Proposed Acquisition
Profit attributable to equity holders of the Company (S\$'000)	2,913	1,828
Weighted average number of issued Shares	379,346,652	379,346,652
EPS (cents)	0.58	0.48

3.7 Service agreements

No director is proposed to be appointed to the Company in connection with the Proposed Acquisition.

3.8 Advice of the Independent Financial Adviser on the Proposed Acquisition

Provenance Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Non-Interested Directors (being Mr Zee Hoong Huay and all the Independent Directors) to, *inter alia*, opine on whether the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

Having regard to the matters set out in their letter dated 5 April 2019 to the Non-Interested Directors, the Independent Financial Adviser is of the opinion that the Proposed Acquisition collectively as an Interested Person Transaction is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders as set out in Section 6 of the IFA Letter in relation to the Proposed Acquisition.

The IFA Letter in relation to the Proposed Acquisition is reproduced in Appendix II to this Circular. Shareholders are advised to read the IFA Letter in relation to the Proposed Acquisition carefully.

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3.9 Audit Committee Statement

The Audit Committee, having considered, *inter alia*, the terms, rationale and benefits of the Proposed Acquisition, as well as the advice given by the IFA, are of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, based on information as recorded in the Register of Directors' Shareholders and the Register of Substantial Shareholders maintained under the provisions of the Companies Act, are as follows:

Directors	Number of Shares			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Mr Luong Andy ⁽²⁾	–	–	111,748,275	27.89
Mr Zee Hoong Huay ⁽³⁾	53,653,855	13.39	6,401,000	1.60
Mr Wong Gang	–	–	–	–
Mr Wong Chee Keong	–	–	–	–
Mr Ching Chi-Te	–	–	–	–

Substantial Shareholders (other than Directors)	Number of Shares			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
UMS Holdings Limited ⁽²⁾	111,748,275	27.89	–	–
Ellipsiz Ltd ⁽⁴⁾	43,841,202	10.94	–	–
Bevrian Pte. Ltd. ⁽⁴⁾	–	–	43,841,202	10.94
David Lum Kok Seng ⁽⁴⁾	–	–	43,841,202	10.94

Notes:

- (1) The percentages are based on the total issued and paid-up share capital of the Company comprising 400,621,516 Shares as at the Latest Practicable Date. The Company has no treasury shares.
- (2) Mr Luong Andy holds 20.58% of the issued and paid up share capital of UMS Holdings Limited, which in turn holds 27.89% of the issued and paid up share capital of the Company. Mr Luong Andy is therefore deemed to be interested in all the Shares held by UMS Holdings Limited in the Company.
- (3) Mr Zee Hoong Huay is deemed interested in 6,401,000 ordinary shares are registered in the name of his spouse, Ms Lee Pui Rong.
- (4) Mr. David Lum Kok Seng is the sole shareholder of Bevrian Pte. Ltd., which in turn holds 60.11% of the issued share capital of Ellipsiz Ltd. Mr. David Lum Kok Seng and Bevrian Pte. Ltd. are therefore deemed to be interested in all the Shares held by Ellipsiz Ltd in the Company.

Mr Wong Gang, the Lead Independent Director of the Company, is a partner at Shook Lin & Bok LLP, which is the law firm advising on the Proposed Resolutions.

Save as set out above, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Resolutions (other than through their respective shareholdings in the Company).

5. EXTRAORDINARY GENERAL MEETING

The EGM notice of which is set out on pages 21 to 22 of this Circular, will be held at Carlton Hotel Singapore, Level 2, Empress Ballroom 4, 76 Bras Basah Road, Singapore 189558 on 23 April 2019 for the purposes of considering, and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of EGM.

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6. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

6.1 The proposed adoption of the IPT General Mandate

The Non-Interested Directors (being Mr Zee Hoong Huay and all the Independent Directors) having considered, *inter alia*, the rationale and information relating to the proposed adoption of the IPT General Mandate, the opinion of the Independent Financial Adviser as set out in the IFA Letter in relation to the proposed adoption of the IPT General Mandate, are of the opinion that it is in the interests of the Company that the Group be permitted to have the flexibility to enter into the Interested Person Transactions described in Section 2.4.1 above in their ordinary course of business with the Interested Persons for reasons stated in this Circular. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed adoption of the IPT General Mandate.

6.2 The Proposed Acquisition

The Non-Interested Directors (being Mr Zee Hoong Huay and all the Independent Directors) having considered, *inter alia*, the rationale and information relating to the Proposed Acquisition, the opinion of the Independent Financial Adviser as set out in the IFA Letter in relation to the Proposed Acquisition, are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Acquisition.

7. ABSTENTION FROM VOTING

UMS will abstain from voting on the Proposed Resolutions and has undertaken to ensure that its associates will abstain from voting (in compliance with Rule 919 of the Catalist Rules) in respect of the Proposed Resolutions. UMS shall also decline and has undertaken to ensure that its associates shall also decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Resolutions unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

Mr Luong Andy will also abstain from voting on the Proposed Resolutions and has undertaken to ensure that his associates will abstain from voting in respect of the Proposed Resolutions. Mr Luong Andy shall also decline and has undertaken to ensure that his associates shall also decline, to accept appointment as proxies to vote at and attend the forthcoming EGM in respect of the Proposed Resolutions unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the listing rule or pursuant to a court order where such court order is served on the Company.

8. CONSENTS

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its IFA Letter in relation to the proposed adoption of the IPT General Mandate dated 5 April 2019 as set out in Appendix I of this Circular, its IFA Letter in relation to the Proposed Acquisition dated 5 April 2019 as set out in Appendix II of this Circular and all references thereto, in the form and context in which they appear in this Circular.

The Independent Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, an extract of the Valuation Report as set out in Appendix III of this Circular and all references thereto, in the form and context in which they appear in this Circular.

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9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy or proxies to attend and vote on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 16 Seletar Aerospace Crescent, Singapore 797567, not later than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy if he finds that he is able to do so.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least 72 hours before the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 16 Seletar Aerospace Crescent, Singapore 797567 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2018;
- (c) the IFA Letter in relation to the proposed adoption of the IPT General Mandate;
- (d) the IFA Letter in relation to the Proposed Acquisition;
- (e) the Valuation Report;
- (f) the consent letter from the IFA; and
- (g) the consent letter from the Independent Valuer.

Yours faithfully

For and on behalf of
the Board of Directors of
JEP HOLDINGS LTD.

Zee Hoong Huay
Executive Director

JEP HOLDINGS LTD.

(Incorporated in the Republic of Singapore on 12 March 1994)
Company Registration No.: 199401749E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of the Company will be held at Carlton Hotel Singapore, Level 2, Empress Ballroom 4, 76 Bras Basah Road, Singapore 189558 on 23 April 2019 at 10.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing (with or without any modifications) the following resolutions set out below.

All capitalised terms used in this Notice which are not defined shall have the same meaning ascribed to them in the circular to shareholders of the Company dated 5 April 2019 (the “**Circular**”).

ORDINARY RESOLUTION 1: PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

THAT:-

- (a) approval be and is hereby given, for the purposes of Chapter 9 of the Catalist Rules, for the Company and/or its subsidiaries, to enter into any of the transactions falling within the types of Interested Person Transactions described in the Circular with the Interested Persons, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for the Interested Person Transactions as set out in the Circular;
- (b) the proposed adoption of the IPT General Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held; and
- (c) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the proposed adoption of the IPT General Mandate as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution.

ORDINARY RESOLUTION 2: THE PROPOSED PURCHASE OF MACHINERY FROM AN INTERESTED PERSON UNDER CHAPTER 9 OF THE CATALIST RULES

THAT:-

- (a) approval be and is hereby given, for the Company to purchase in aggregate up to 16 units of Machinery (as described in the Circular) from UMS and its subsidiaries for the aggregate consideration of not more than S\$4.36 million (the “**Proposed Acquisition**”);
- (b) the Directors be and are hereby authorised to take such steps, approve all matters and enter into all such transactions, arrangements and agreements and execute all such documents and notices as may be necessary or expedient for the purposes of giving effect to the Proposed Acquisition as such Directors or any of them may deem fit or expedient or to give effect to this ordinary resolution; and
- (c) the authority conferred by this ordinary resolution shall expire on the earlier of:
 - (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
 - (ii) the date on which the purchases of the Machinery by the Company pursuant to the Proposed Acquisition are carried out to the full extent mandated,unless varied or revoked by the Company in general meeting.

By Order of the Board

Zee Hoong Huay
Executive Director
JEP Holdings Ltd.

5 April 2019

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the EGM. Where such member's form appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

“**relevant intermediary**” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50.

2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 16 Seletar Aerospace Crescent, Singapore 797567, not less than forty-eight (48) hours before the time appointed for the meeting.

Personal data privacy:

By submitting an instrument appointing a proxy or proxies and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

This Notice 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 Notice.

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

The details of the contact person for the Sponsor is:

Name: Mr Shervyn Essex (Registered Professional, RHT Capital Pte. Ltd.)
Address: 9 Raffles Place #29-01, Republic Plaza Tower 1, Singapore 048619
Telephone: 6381 6757

JEP HOLDINGS LTD.

(Company Registration No. 199401749E)
(Incorporated in the Republic of Singapore)

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the Extraordinary General Meeting and vote (please see note below for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy JEP Holdings Ltd's shares, this Circular is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.

EXTRAORDINARY GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

I/We*, _____ of
_____ (Address)

being a member/members of **JEP Holdings Ltd.** (the "**Company**"), hereby appoint:

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

and/or*

Name	NRIC / Passport Number	Proportion of Shareholdings (%)	
		No. of shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company to be held at Carlton Hotel Singapore, Level 2, Empress Ballroom 4, 76 Bras Basah Road, Singapore 189558 on 23 April 2019 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same venue) and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the Resolution proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick within the box provided.)

Ordinary Resolution	FOR	AGAINST
To approve the proposed adoption of the IPT General Mandate		
To approve the Proposed Acquisition		

Dated this _____ day of _____ 2019.

Total Number of Shares in:	Number of Shares
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s) /
Common Seal of Corporate Shareholder

*Delete where inapplicable

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 5 April 2019.



NOTES

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

“relevant intermediary” means:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 16 Seletar Aerospace Crescent, Singapore 797567 not less than forty-eight (48) hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**APPENDIX I –
IFA LETTER IN RELATION TO THE PROPOSED
ADOPTION OF THE IPT GENERAL MANDATE**

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

5 April 2019

To: The Non-Interested Directors of JEP Holdings Ltd.
(deemed to be independent in respect of the IPT General Mandate)

Mr Zee Hoong Huay	(Executive Director)
Mr Wong Gang	(Lead Independent Director)
Mr Kong Chee Keong	(Independent Director)
Mr Chung Chi-Te	(Independent Director)

Dear Sirs,

THE PROPOSED ADOPTION OF THE IPT GENERAL MANDATE

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company (“Shareholders”) dated 5 April 2019 (“Circular”) with 26 March 2019 being the Latest Practicable Date referred to in the Circular.

1. INTRODUCTION

1.1 JEP Holdings Ltd. (“Company”, together with its subsidiaries, “Group”) is listed on Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) with a market capitalisation of approximately S\$59.7 million as at the Latest Practicable Date. In January 2018, UMS Holdings Limited (“UMS”, together with its subsidiaries, “UMS Group”), a company listed on the Mainboard of the SGX-ST with a market capitalisation of more than S\$350 million, acquired a 29.5% controlling interest in the Company. As at the Latest Practicable Date, UMS is the single largest Shareholder with a shareholding interest of 27.89% in the Company.

Following the above, the Group has been leveraging on the operational strengths of the UMS Group by entering into recurrent transactions with the UMS Group of a revenue or trading nature in the ordinary course of business of the Group. In view of UMS’ shareholding interest in the Company, such transactions with the UMS Group are deemed as interested person transactions (“IPTs” or “Interested Person Transactions”) and the UMS Group is deemed as an interested person (“Interested Person”) under Chapter 9 of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “Catalist Rules”).

1.2 Under Rule 906 of the Catalist Rules, Shareholders’ approval must be obtained for any IPT of a value which is equal to or more than 5% of the Group’s latest audited net tangible assets (“NTA”) or when aggregated with other IPTs with the same Interested Person during the same financial year, the value is equal to or more than 5% of the Group’s latest audited NTA (“5% Threshold”).

For the financial year ended 31 December 2018 (“FY2018”), the aggregate value of all IPTs entered into with the UMS Group was S\$879,350. Each of the IPTs, or the aggregate value of these IPTs entered into with the same Interested Person did not exceed the 5% Threshold of the Group’s relevant audited NTA. As such, pursuant to Rule 906 of the Catalist Rules, the Company was not required to seek Shareholders’ approval for these IPTs.

From 1 Jan 2019 to the Latest Practicable Date, the aggregate value of the IPTs entered into with the UMS Group was S\$562,448. Going forward, the Company envisages that the aggregate value of the IPTs to be entered into with the UMS Group for the current financial year may exceed the 5% Threshold.

Based on the latest audited financial statements of the Group for FY2018, the NTA value of the Group is S\$34.26 million as at 31 December 2018. Accordingly, the 5% Threshold for the time being is S\$1.71 million.

In view of the time-sensitive nature of the commercial transactions and to allow the Group to undertake such transactions in a more expeditious manner, and for administrative efficiency and cost reasons, the Company is seeking Shareholders' approval at the forthcoming extraordinary general meeting ("**EGM**") to adopt the Shareholders' mandate for such recurring IPTs pursuant to Rule 920 of the Catalist Rules ("**IPT General Mandate**").

UMS (being an Interested Person) will abstain and has also undertaken to ensure that its associates (as defined in the Catalist Rules) will abstain from voting on the ordinary resolution relating to the IPT General Mandate at the EGM.

- 1.3** The IPT General Mandate is also subject to the opinion of the Independent Financial Adviser ("**IFA**") pursuant to Rule 920(1)(b) of the Catalist Rules. In this regard, Provenance Capital Pte. Ltd. ("**Provenance Capital**") has been appointed as the IFA to render an opinion to the Directors of the Company who are deemed independent in respect of the IPT General Mandate ("**Non-Interested Directors**"), on whether the guidelines and review procedures for determining the terms of the IPTs, if adhered to, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders ("**Minority Shareholders**").

Mr Luong Andy, the Executive Chairman and Chief Executive Officer of the Company, is also the Executive Chairman, Chief Executive Officer and controlling shareholder of UMS. Accordingly, Mr Luong Andy is considered as an Interested Person and will abstain from making any recommendation to the Shareholders in relation to the IPT General Mandate.

The remaining four Directors, Mr Zee Hoong Huay, Mr Wong Gang, Mr Kong Chee Keong and Mr Chung Chi-Te are deemed as Non-Interested Directors for the purpose of the IPT General Mandate. Mr Wong Gang, Mr Kong Chee Keong and Mr Chung Chi-Te are also members of the Audit Committee.

This letter ("**Letter**") is required by Rule 920(1)(b) of the Catalist Rules and is addressed to the Non-Interested Directors. This Letter sets out, *inter alia*, our evaluation and opinion on the IPT General Mandate and forms part of the Circular which provides, *inter alia*, the details of the IPT General Mandate and the recommendation of the Non-Interested Directors. This Letter is attached as Appendix I to the Circular.

2. TERMS OF REFERENCE

We have been appointed as the IFA as required by Rule 920(1)(b) of the Catalist Rules as well as to advise the Non-Interested Directors in respect of the IPT General Mandate. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the IPT General Mandate, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the IPT General Mandate or to obtain the approval of the Shareholders for, *inter alia*, the IPT General Mandate. We also do not, by this Letter, warrant the merits of the IPT General Mandate, other than to express an opinion on whether the guidelines and review procedures set out in the IPT General Mandate are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the IPT General Mandate or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw

upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In rendering our opinion, we have held discussions with the Directors, the Management and/or their professional advisers (if applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (if applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

The Directors (including those who may have delegated detailed supervision of the Circular) have confirmed that, to the best of their respective knowledge and belief, and having made all reasonable enquiries, information and representations provided by the Directors and Management are accurate. They have also confirmed to us that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the IPT General Mandate, the Company and the Group, have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the IPT General Mandate have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Company and the Group which we have relied upon in arriving at our recommendation or advice has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (if applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group. Such review or comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our advice as set out in this Letter. We were also not required or authorised to obtain, and we have not obtained, any quotation or transaction price from third parties for the sale, purchase, provision or supply (where applicable) of services and/or products similar to those which are to be covered by the IPT General Mandate, and therefore are not able to, and will not compare the transactions with similar transactions with third parties.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the

value of the assets and liabilities, and profitability of the Company and/or the Group. We have not been furnished with any such evaluation or appraisal.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Company, we have taken into account certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, relevant to the IPT General Mandate, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than at the forthcoming EGM and for the purpose of any matter relating to the IPT General Mandate, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter in compliance with Rule 920(1)(b) of the Catalist Rules as well as for the use of the Non-Interested Directors in connection with their consideration of the IPT General Mandate and their advice to the Shareholders. The recommendation made to the Shareholders in relation to the IPT General Mandate remains the responsibility of the Non-Interested Directors.

Our opinion in relation to the IPT General Mandate should be considered in the context of the entirety of this Letter and the Circular.

3. THE IPT GENERAL MANDATE

3.1 Rationale and benefits of the IPT General Mandate

The full text of the rationale and benefits of the IPT General Mandate are set out in Section 2.3 of the Circular.

As disclosed in the Company's annual report for 2017, in January 2018, the UMS Group acquired a controlling interest in the Company. UMS Group is a one-stop strategic integration partner providing equipment manufacturing and engineering services to original equipment manufacturers ("OEM") of semiconductors and related products. UMS has production facilities in Singapore, Malaysia as well as California and Texas, USA. The Group has been leveraging on the operational strengths of the UMS Group by entering into recurrent transactions with the UMS Group of a revenue or trading nature in the ordinary course of business of the Group.

In view of the time-sensitive and recurrent nature of the commercial transactions, the Company is proposing the adoption of the IPT General Mandate.

The IPT General Mandate, if approved by Shareholders at the EGM, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for each separate IPT to be entered into between the Group and the UMS Group. This will substantially reduce the expenses and time associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives. It will also enable the Group to capitalise on commercial and business opportunities that may avail themselves promptly, in order to ensure competitiveness, and not be placed at a disadvantage to other competitors.

The Group will benefit from having access to competitive quotes from its Interested Persons in addition to obtaining quotes from, or transacting with, non-Interested Persons, and transactions with Interested Persons also represent an additional source of revenue for the Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the Group which are transacted from time to time with the Interested Persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders.

3.2 Nature and scope of the IPTs

The Group's key operating segments are in:

- precision machining segment in relation to such services for the aerospace, oil and gas, electronics and automotive industry;
- trading and other segment in relation to customised cutting tools; and
- equipment manufacturing segment in relation to the provision of large format precision engineering and equipment fabrication services.

Under the trading segment, the Group is a provider of customised cutting tools for its customers, including certain members of the UMS Group which are primarily engaged in the business of manufacturing components for the semiconductor industry.

The Group also purchases raw materials like aluminium blocks and other aluminium products from suppliers, including the UMS Group, for its precision machining and fabrication operations.

In relation to metal fabrication and machining works which are generally carried out in-house by the Group, since UMS became a controlling Shareholder, the Group has started to leverage on the operational strengths of the UMS Group by procuring sub-contracting services from the UMS Group in respect of its metal fabrication and machining works for its projects, if it is cost effective for the Group to do so.

Going forward, if the UMS Group requires the Group's machining services, the Group is also interested to act as a sub-contractor to provide such services to the UMS Group.

Following from the above, the nature of the IPTs which is subject to the IPT General Mandate is set out below:

(a) Trading transactions

- (i) sale of cutting tools by the Group to the UMS Group; and
- (ii) purchase of raw materials from the UMS Group.

(b) Sub-contracting services

- (i) procuring subcontracting services from the UMS Group for metal fabrication works and machining works; and
- (ii) providing subcontracting services to the UMS Group for machining works.

Under Chapter 9 of the Catalist Rules, transactions with interested persons that are below S\$100,000 in value are not subject to the guidelines and review procedures of a general mandate given by shareholders as the threshold and aggregation requirements of Chapter 9 of the Catalist Rules would not apply to such transactions. However, for good order, the Company will subject all IPTs, including those below S\$100,000 in value, to the guidelines and review procedures of the IPT General Mandate as set out in Section 3.4 below.

For the avoidance of doubt, any sale or purchase of assets, undertakings or businesses with the Interested Persons will not fall within the ambit of the IPT General Mandate. Transactions with the Interested Persons that do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

3.3 Classes of Interested Persons

The classes of Interested Persons to be covered in the IPT General Mandate consist of UMS, its subsidiaries and associated companies.

UMS Group is principally engaged in the business of providing equipment manufacturing and engineering services to OEMs of semiconductors and related products. Among others, UMS has a 70%-owned subsidiary, Starke Singapore Pte Ltd, which is the only subsidiary that is principally involved in the supply of aluminium alloy products.

3.4 Guidelines and review procedures for IPTs

To ensure that the IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its Minority Shareholders, the Company has put in place guidelines and review procedures for the IPTs under the IPT General Mandate. Details of guidelines and review procedures for IPTs under the IPT General Mandate are set out in Section 2.5 of the Circular.

All IPTs shall be conducted in accordance with the Group's usual business practices and policies, consistent with the usual margins, rates or prices received or paid by the Group for the same or substantially similar type of transactions between the Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties after taking into account various considerations.

In addition, all relevant members of the Group which are involved in the review procedures as set out below shall have no interest, direct or indirect, in the IPTs.

The guidelines and review procedures pertaining to the 2 categories of IPTs pursuant to the IPT General Mandate are set out as follows:

3.4.1 For trading transactions

The general manager of the Group or equivalent and the Financial Controller of the Group shall review and compare the pricing and terms of the IPT with that of at least two other transactions of a similar nature with unrelated third parties. During the review and comparison, the Group shall also take into account factors such as the requirements, specifications, delivery time of goods and services, industry norms, complexity and resources required for when transacting with the Interested Persons.

In circumstances where it is impractical or impossible to obtain comparable prices of

contemporaneous transactions of similar goods, the general manager of the Group or equivalent and the Financial Controller of the Group shall, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from experienced personnel of the project team to assess whether the terms provided to the Interested Persons are fair and reasonable; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the goods and services, the requirements, specifications, delivery time of goods and services, industry norms, complexity and resources required for when transacting with the Interested Persons.

3.4.2 For sub-contracting services

(i) Procuring sub-contracting services from the UMS Group

A commercial manager or other employee of the Group with an equivalent designation and who is familiar with the terms and complexity of contracts of similar nature to that of the IPT shall compare the pricing and terms of the IPT with that of at least two other similar services/contracts entered into with unrelated third parties or two other quotations from unrelated third parties for the same or substantially similar type of sub-contracting services. The general manager of the Group or equivalent and the Financial Controller of the Group will review the evaluation of the price and terms performed by the commercial manager or other employee of the Group with an equivalent designation.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the IPTs are consistent and/or not less favourable to the Group when compared with similar type of transactions or quotations between the Group and unrelated third parties.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the commercial manager or other employee of the Group with an equivalent designation, together with the general manager of the Group or equivalent and the Financial Controller of the Group shall, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from experienced personnel of the project team in order to assess whether the pricing and terms provided to the Interested Persons are consistent with the Group's usual business practices, on an arm's length basis and on market terms that are beneficial to and in the best interest of the Group; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the cost and feasibility of carrying out such services/work internally, potential cost savings achieved through the transaction, the quality and nature of the services, requirements, specifications, delivery schedules, industry norms, credit terms, complexity, technical capability and expertise required to carry out the project and/or strategic purpose of the transaction, where applicable.

(ii) Providing sub-contracting services to the UMS Group

A commercial manager or other employee of the Group with an equivalent designation and who is familiar with the terms and complexity of contracts of similar nature to that of the IPT, shall compare the pricing and terms of the IPT with that of at least two other similar services/contracts entered into with unrelated third parties, or two other quotations from unrelated third parties for the same or substantially similar type of sub-contracting services. The general manager of the Group or equivalent and the Financial Controller of the Group will review the evaluation of the price and terms performed by the commercial manager or other employee of the Group with an equivalent designation.

During the review and comparison, the Group's usual business practices and policies shall be taken into consideration, to ensure that the pricing and terms of the IPT are consistent and/or not more favourable to the UMS Group when compared with similar type of transactions or quotations between the Group and unrelated third parties.

In circumstances where it is impractical or impossible to obtain comparable prices of contemporaneous transactions or quotations of similar services, the commercial manager or other employee of the Group with an equivalent designation, together with the general manager of the Group or equivalent and the Financial Controller shall, take such necessary steps which would include but is not limited to (1) relying on corroborative inputs from experienced personnel of the project team in order to assess whether the pricing and terms provided by the Interested Persons are consistent with the Group's usual business practices, on an arm's length basis and on market terms that are beneficial to and in the best interest of the Group; and (2) evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the potential earnings achieved through the transaction, availability of resources, facilities, capacity and technical capabilities, nature of the services, requirements, specifications, delivery schedules, industry norms, payment milestones, size of the contract, customer's credit standing, potential for future repeat business and/or strategic purpose of the transaction, where applicable.

3.4.3 Approval threshold limits

In addition to the guidelines and review procedures, before entering into the IPTs, each of the IPTs will be subject to the pre-approval by the relevant authorities according to the value of the IPT as set out in the approval matrix below:

IPTs – Approval Matrix			
	Value of each IPT as a percentage of the latest audited NTA of the Group	Approving authorities (each having no interest, direct or indirect, in the IPT) – where there are comparable transactions or quotations	Approving authorities (each having no interest, direct or indirect, in the IPT) – where there are no comparable transactions or quotations
1.	Less than 3%	Officer-in-charge ⁽¹⁾ and the Financial Controller	Any Executive Director and the Financial Controller
2.	Equal to or exceeding 3%, but less than 5%	Any Executive Director and the Financial Controller	Any Executive Director and the Financial Controller
3.	Equal to or exceeding 5%	Majority of the Audit Committee	Majority of the Audit Committee

Note:

(1) Officer-in-charge refers to the general manager or its equivalent or a more senior personnel of the relevant member of the Group carrying out the IPT.

The approving authorities under the approval matrices above (“**Approving Authorities**”) may, if they deem fit, have the right to require the appointment of independent advisers and/or valuers from external or professional sources to provide additional information or review of controls and implementation pertaining to the IPTs under review.

In the event that any of the Approving Authority has an interest in the IPT under consideration for approval, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the next higher level of Approving Authority in accordance with the approval matrix above (each having no interest, direct or indirect, in the IPT).

In the event that any member of the Audit Committee has an interest in the IPT, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit Committee (each having no interest, direct or indirect, in the IPT).

3.5 Additional guidelines and review procedures

In addition to the guidelines and review procedures as out in Section 3.4 above, the Company will also implement the following additional guidelines and procedures:

(i) Maintain a register of IPTs

The Company will maintain a register to record all IPTs (including those below S\$100,000 in value) which include all information pertinent to the IPTs, such as but not limited to, the identity of the Interested Persons involved in the IPTs, the value of the IPTs, the nature and scope of the IPTs, basis and rationale for entering into the IPTs, including the quotations and other evidence obtained to support such basis with written approvals. The register of IPTs is prepared, maintained and monitored by senior personnel such as the Financial Controller of the Group (who shall not be interested in any of the IPTs) and who are duly delegated to do so by the Audit Committee.

In addition, the Company will maintain a list of Interested Persons and their associates (as defined in the Catalist Rules) which shall be reviewed by the Financial Controller at least once every six months and subject to such verifications or declarations as required by the Audit Committee from time to time or for such periods as determined by them.

(ii) Review by Audit Committee

Members of the Audit Committee will periodically, at least on a half-yearly basis, review the basis and documents of all approved IPTs (including those below S\$100,000 in value) to ensure that the procedures for review, approvals as well as monitoring and administration are adequate, sufficient and adhered to, in ensuring that IPTs are undertaken on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

The Audit Committee will also review, at least on a half-yearly basis, the established guidelines and review procedures of the IPTs and determine if such guidelines and review procedures continue to be adequate and/or commercially practicable in ensuring that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures. During the period prior to obtaining such fresh mandate from Shareholders, all IPTs will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Catalist Rules.

(iii) Review by internal auditors

The Group will incorporate a review of IPTs in its internal audit plan. The internal auditors will review the IPTs to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the IPTs have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(iv) Review by external auditors and/or other professional advisers

The Group's external auditors will review the IPTs on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit samples to the Audit Committee. In addition, the Audit Committee, shall, when it deems fit, have the right to require the appointment of independent advisers to advise on the transactions under review or approved or to advise on the guidelines and review procedures. The outcome of such review shall be documented and minuted.

3.6 Validity period of the IPT General Mandate

The proposed adoption of the IPT General Mandate is subject to Shareholders' approval at the EGM and if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the EGM, and will (unless revoked or varied by the Company in a general

meeting) continue to be in force until the date on which the next annual general meeting of the Company (“**AGM**”) is held or is required by law to be held, whichever is earlier. Approval from Shareholders will be sought for the renewal of the IPT General Mandate at each subsequent AGM (or EGM held on the same day as the AGM) subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons.

3.7 Disclosures

The Company will announce the aggregate value of the IPTs conducted with the Interested Persons pursuant to the IPT General Mandate for each financial period which it is required to report on pursuant to Rule 705 of the Catalist Rules and within the time required for the announcement of such report in accordance with Chapter 9 of the Catalist Rules.

In addition, the Company will disclose in its annual report the aggregate value of the IPTs conducted with the Interested Persons pursuant to the IPT General Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT General Mandate is in force.

4. OPINION

In arriving at our opinion in respect of the IPT General Mandate, we have considered, *inter alia*, the following:

- (a) rationale and benefits of the IPT General Mandate;
- (b) nature and scope of the IPTs;
- (c) classes of Interested Persons; and
- (d) guidelines and review procedures for IPTs, including the additional guidelines and review procedures.

Based on the above, we are of the opinion that the guidelines and review procedures for determining the terms of the IPTs as set out in Sections 3.4 and 3.5 of this Letter and in Section 2.5 of the Circular, if adhered to, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its Minority Shareholders.

Our opinion is required by Rule 920(1)(b) of the Catalist Rules as well as addressed to the Non-Interested Directors for the purpose of their consideration of the IPT General Mandate. The recommendation to be made by them to the Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this Letter (or any part thereof) for the purpose of any matter which does not relate to the IPT General Mandate at any time and in any manner without our prior written consent in each specific case.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

**APPENDIX II –
IFA LETTER IN RELATION TO
THE PROPOSED ACQUISITION**

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

5 April 2019

To: The Non-Interested Directors of JEP Holdings Ltd.
(deemed to be independent in respect of the Proposed Acquisition)

Mr Zee Hoong Huay	(Executive Director)
Mr Wong Gang	(Lead Independent Director)
Mr Kong Chee Keong	(Independent Director)
Mr Chung Chi-Te	(Independent Director)

Dear Sirs,

THE PROPOSED PURCHASE OF MACHINERY FROM AN INTERESTED PERSON

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of the Company (“Shareholders”) dated 5 April 2019 (“Circular”) with 26 March 2019 being the Latest Practicable Date referred to in the Circular.

1. INTRODUCTION

1.1 Reference is made to our IFA Letter dated 5 April 2019 in relation to the proposed adoption of the IPT General Mandate as attached as Appendix I to the Circular. In addition to seeking Shareholders’ approval for the IPT General Mandate, the Company is seeking Shareholders’ approval at the forthcoming EGM for the proposed acquisition in relation to the proposed purchase of machinery from the UMS Group (“**Proposed Acquisition**”) as the purchase of these assets from the Interested Person will not fall within the ambit of the IPT General Mandate.

In connection with the above, the Company had, on 26 March 2019 (“**Announcement Date**”), announced that the Group proposes to purchase an aggregate of up to 16 units of computer numerical control machines (“**CNC Machines**” or “**Machinery**”) from the UMS Group. The aggregate value of the Proposed Acquisition with the Interested Person is envisaged to exceed 5% of the latest audited NTA of the Group of S\$34.26 million as at 31 December 2018 (“**5% Threshold**”) and hence require the approval of the Shareholders and the opinion of an IFA pursuant to Rule 906 and Rule 921 of the Catalist Rules.

The Company has presently identified 4 units of the CNC Machines (“**Initial Batch of Machinery**”) to be acquired from the UMS Group and is contemplating further potential purchases of up to another 12 units of CNC Machines (“**Future Batches of Machinery**”) from the UMS Group in the future. These Machinery are to be utilised by the Group in its ordinary course of business.

For the Initial Batch of Machinery, the Company had commissioned an independent valuer to determine the market valuation of these Machinery to be S\$1.36 million as at 4 March 2019. Accordingly, the Company determined that the purchase consideration for the Initial Batch of Machinery will not be more than the market valuation of S\$1.36 million (“**Maximum Initial Consideration**”).

The actual units of the Future Batches of Machinery have yet to be finalised and hence the exact consideration cannot be determined currently as it will also depend on further valuation exercises to be conducted. The Company has estimated that the potential aggregate consideration for such Future Batches of Machinery to be not more than S\$3.0 million (“**Maximum Future Consideration**”). Accordingly, the total purchase consideration of the 16

units of Machinery from the UMS Group is estimated to be not more than S\$4.36 million (“**Estimated Maximum Consideration**”).

- 1.2** While the final units of Machinery to be purchased from the UMS Group, the total purchase consideration for these Machinery payable to the UMS Group and the timing of these purchases could not be determined presently, the Company is seeking Shareholders’ prior approval by way of the ordinary resolution at the EGM on the following premises:
- (a) The total number of Machinery to be purchased from the UMS Group is limited to a maximum of 16 units;
 - (b) The maximum consideration for these 16 units is estimated at S\$4.36 million;
 - (c) The purchase consideration for each of these Machinery will be supported by an independent market valuation to be carried out; and
 - (d) The authority conferred by the ordinary resolution in respect of the Proposed Acquisition will expire on the earlier of (i) the date of the next AGM; or (ii) the date when the Proposed Acquisition is carried out to the full extent mandated, unless varied or revoked by the Company in general meeting.

UMS (being an Interested Person) will abstain and has also undertaken to ensure that its associates (as defined in the Catalist Rules) will abstain from voting on the ordinary resolution relating to the Proposed Acquisition at the EGM.

- 1.3** Provenance Capital Pte. Ltd. (“**Provenance Capital**”) has also been appointed as the IFA in respect of the Proposed Acquisition as required under Rule 921(4)(a) of the Catalist Rules as well as to advise the Non-Interested Directors on whether the Proposed Acquisition collectively as an IPT, is on normal commercial terms and not be prejudicial to the interests of the Company and its Minority Shareholders.

As with the IPT General Mandate, Mr Luong Andy, the Executive Chairman and Chief Executive Officer of the Company, who is also the Executive Chairman, Chief Executive Officer and controlling shareholder of UMS, is considered as an Interested Person. He will abstain from making any recommendation to the Shareholders in relation to the Proposed Acquisition.

The remaining four Directors, Mr Zee Hoong Huay, Mr Wong Gang, Mr Kong Chee Keong and Mr Chung Chi-Te are also deemed as Non-Interested Directors for the purpose of the Proposed Acquisition. Mr Wong Gang, Mr Kong Chee Keong and Mr Chung Chi-Te are members of the Audit Committee.

This letter (“**Letter**”) is required by Rule 921(4)(a) of the Catalist Rules and is addressed to the Non-Interested Directors. This Letter sets out, *inter alia*, our evaluation and opinion on the Proposed Acquisition collectively as an IPT and forms part of the Circular which provides, *inter alia*, the details of the Proposed Acquisition and the recommendation of the Non-Interested Directors. This Letter is attached as Appendix II to the Circular.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA as required by Rule 921(4)(a) of the Catalist Rules as well as to advise the Non-Interested Directors in respect of the Proposed Acquisition collectively as an IPT. We are not and were not involved in or responsible for, in any aspect, the discussions in relation to the Proposed Acquisition collectively as an IPT, nor were we involved in the deliberations leading up to the decision on the part of the Directors to propose the Proposed Acquisition collectively as an IPT or to obtain the approval of the Shareholders for the Proposed Acquisition, and we do not, by this Letter, warrant the merits of the Proposed Acquisition collectively as an IPT, other than to express an opinion on whether the Proposed Acquisition collectively as an IPT is on normal commercial terms and is not prejudicial to the interest of the Company and its Minority Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, commercial and financial merits and/or risks of the Proposed Acquisition collectively as an IPT or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and we have not made such evaluation or comments. Such evaluation or comments, if any, remains the responsibility of the Directors and/or the management of the Company ("**Management**") although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter.

In the course of our evaluation, we have held discussions with the Directors, the Management and/or their professional advisers (where applicable) and have examined and relied to a considerable extent on the information set out in the Circular, other publicly available information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Directors, the Management and/or the professional advisers (where applicable). Whilst care has been exercised in reviewing the information which we have relied upon, we have not independently verified such information or representations, whether written or verbal, and accordingly cannot and do not make any representation or warranty, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of such information or representations. We have nevertheless made such reasonable enquiries and judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

The Directors have confirmed that, to the best of their respective knowledge and belief, and having made all reasonable enquiries, information and representations provided by the Directors and Management are accurate. They have also confirmed to us that, upon making all reasonable enquiries and to their best knowledge and belief, all material information available to them in connection with the Proposed Acquisition collectively as an IPT, the Company and the Group, have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not independently verified and have assumed that all statements of fact, belief, opinion and intention made by the Directors in the Circular in relation to the Proposed Acquisition collectively as an IPT have been reasonably made after due and careful enquiry. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information but nevertheless have made reasonable enquiries and exercised judgment on the reasonable use of such information, as were deemed necessary, and have found no reason to doubt the accuracy or reliability of the information and representations.

Save as disclosed, we would like to highlight that all information relating to the Company and the Group which we have relied upon in arriving at our opinion has been obtained from publicly available information and/or from the Directors and the Management and the professional advisers (where applicable). We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Company or the Group at any time or as at the Latest Practicable Date.

The scope of our appointment does not require us to conduct a comprehensive independent review of the business, operations or financial condition of the Company and/or the Group, or to express, and we do not express, a view on the future growth prospects, value and earnings potential of the Company and/or the Group after the Proposed Acquisition. Such review or

comments, if any, remain the responsibility of the Directors and the Management, although we may draw upon their views or make such comments in respect thereof (to the extent required by the Catalist Rules and/or deemed necessary or appropriate by us) in arriving at our opinion as set out in this Letter. We have not obtained from the Company and/or the Group, any projection of the future performance including financial performance of the Company and/or the Group, and we did not conduct discussions with the Directors and the Management on, and did not have access to, any business plan and financial projections of the Company and/or the Group. In addition, we are not expressing any view as to the prices at which the shares of the Company may trade or the future value, financial performance or condition of the Company and/or the Group, upon or after completion of the Proposed Acquisition.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment).

In connection with the proposed acquisition of the Initial Batch of Machinery, the Group had commissioned Hilco Appraisal Singapore Pte Ltd ("**Hilco Global**" or "**Valuer**"), a business asset valuation services firm, to carry out an independent market valuation of the Initial Batch of Machinery as at 4 March 2019. The valuation report from the Valuer dated 5 March 2019 ("**Valuation Report**") is made available for inspection and an extract of the Valuation Report is attached as Appendix III to the Circular. Hilco Appraisal Singapore Pte Ltd is a member of Hilco Global group with headquarters in the USA.

We are not experts in the evaluation or appraisal of the assets concerned and have placed sole reliance on the independent valuation by the Valuer for such appraisals and have not made any independent verification of the content thereof. In particular, we do not assume any responsibility to enquire about the basis of the valuation as contained in the Valuation Report or if the contents thereof have been prepared and/or included in the Circular in accordance with all applicable regulatory requirements.

Our opinion as set out in this Letter is based on market, economic, industry, monetary and other conditions (if applicable) prevailing as at the Latest Practicable Date and the information and representations provided to us as at the Latest Practicable Date. In arriving at our opinion, with the consent of the Directors and the Company, we have taken into account certain other factors and have made certain assumptions as set out in this Letter. We assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcement, relevant to the Proposed Acquisition, which may be released by the Company after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder or any specific group of Shareholders. As each Shareholder may have different investment objectives and profiles, we recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) or objective(s) consult his or their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by its own professional advisers in the preparation of the Circular (other than this Letter). We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular (other than this Letter). Accordingly, we take no responsibility for and express no views, whether expressed or implied, on the contents of the Circular (other than this Letter).

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes, other than at the forthcoming EGM and for the purpose of any matter relating to the Proposed Acquisition, at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

We have prepared this Letter in compliance with Rule 921(4)(a) of the Catalist Rules as well as for the use of the Non-Interested Directors in connection with their consideration of the Proposed Acquisition and their advice to the Minority Shareholders. The recommendation made to the Shareholders in relation to the Proposed Acquisition remains the responsibility of the Non-Interested Directors.

Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this Letter and the Circular.

As disclosed in Section 1.1 of this Letter, we have also been appointed as the IFA in compliance with Rule 920(1)(b) of the Catalist Rules to render our opinion in respect of the IPT General Mandate. Our IFA Letter with respect of the IPT General Mandate is attached as Appendix I to the Circular.

3. THE PROPOSED ACQUISITION

Details of the Proposed Acquisition are set out in Section 3 of the Circular.

Subject to Shareholders' approval, the Group intends to purchase up to 16 units of CNC Machines in batches from the UMS Group. These Machinery is to replace its existing old machinery and/or expand its production capacity. The Proposed Acquisition will allow the Group to purchase used machinery which are well-maintained and at a lower cost as compared to purchasing similar new machinery from unrelated third parties.

The Proposed Acquisition will be effected in batches as and when the Group identifies and agrees with the UMS Group on the Machinery to be purchased by the Group. The Group will then issue a purchase order ("**Purchase Order**") for each batch of Machinery to be purchased and the Company will make the relevant announcement of the Purchase Order accordingly.

The Purchase Order will set out, *inter alia*, (i) the details of the CNC Machines including the number of units to be purchased; (ii) purchase price of each respective unit of CNC Machine; (iii) payment terms and delivery dates; and (iv) independent market valuation of the Machinery to be purchased.

The Group has identified the Initial Batch of Machinery comprising 4 units of the CNC Machines at the purchase consideration of not more than S\$1.36 million based on the Valuer's independent fair market valuation as at 4 March 2019. The proposed purchase of the Initial Batch of Machinery was announced on 26 March 2019. Salient information of the Valuation Report is set out in Section 4 of this Letter for your reference. Upon obtaining Shareholders' approval for the Proposed Acquisition, the Company will issue a Purchase Order with the final purchase consideration for the Initial Batch of Machinery, which will not be more than S\$1.36 million, being the Maximum Initial Consideration

With respect to the Future Batches of Machinery to be purchased, as the actual units of the Future Batches of Machinery have yet to be finalised, the exact consideration cannot be determined currently as it will depend on further valuation exercises to be conducted. The Company has estimated that the potential aggregate consideration for such Future Batches of Machinery to be not more than S\$3.0 million, being the Maximum Future Consideration.

Accordingly, the Company is seeking Shareholders' approval for the Proposed Acquisition for up to 16 units of the CNC Machines at a total Estimated Maximum Consideration of S\$4.36 million.

The approval from Shareholders for the Proposed Acquisition will expire on the earlier of the date of the next AGM or when all the 16 units of CNC Machines have been acquired by the Group, unless varied or revoked by the Company at general meeting.

For the avoidance of doubt, in the event that the Company proposes to purchase more than the aggregate of 16 units of Machinery under the Proposed Acquisition and/or the final

consideration for the purchase of Machinery exceeds the Estimated Maximum Consideration, separate approval will be sought from Shareholders as may be appropriate prior to the purchase.

4. SALIENT INFORMATION OF THE VALUATION REPORT

The Company has commissioned Hilco Global, the Valuer, to conduct a valuation of the 4 units of CNC Machines, constituting the Initial Batch of Machinery, to determine the fair market value (“**Fair Market Value**”) of these machines as at 4 March 2019. Details of the Initial Batch of Machinery are set out in the Valuation Report dated 5 March 2019 which is made available for inspection. An extract of the Valuation Report is attached as Appendix III to the Circular.

Fair market value

According to the Valuation Report, the Valuer had defined Fair Market Value as:

“A professional opinion of the estimated most probable price expressed in terms of currency to be realized for asset in an exchange between a willing buyer and a willing seller, with equity to both, neither being under compulsion to buy or sell, and both parties fully aware of all relevant facts, as of the effective date of this appraisal report. Both the buyer and the seller acknowledge that the assets must be dismantled and removed at the buyer’s expense.”

Valuation methodology

There are 3 basic valuation methods that are used to derive an indication of the value of the assets. These methods include the cost approach, sales comparison approach and income approach to value.

The Valuer had used the cost approach as the primary basis and had also given some consideration to the sales comparison approach. The cost approach estimates the current cost to reproduce or replace the personal property, deducting for all accrued depreciation. The sales comparison approach involves comparing the property being appraised to similar assets that have been sold recently, applying appropriate units of comparison, and making adjustments based on the elements of comparison to the sale prices of the comparable.

The income approach was not utilised as this approach gives consideration to income-generating criteria and is very limited in its application to the appraisal of machinery and equipment on a piecemeal basis. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment.

Pursuant to the appraisal conducted by the Valuer, the aggregate Fair Market Value of the 4 units of CNC Machines is determined to be S\$1.36 million as at 4 March 2019.

5. EVALUATION OF THE PROPOSED ACQUISITION COLLECTIVELY AS AN INTERESTED PERSON TRANSACTION

In our evaluation of the Proposed Acquisition collectively as an IPT, we have given due consideration to, *inter alia*, the following key factors:

- (a) rationale for the Proposed Acquisition and benefits to the Company;
- (b) assessment of the terms of the Proposed Acquisition; and
- (c) other relevant considerations.

5.1 Rationale for the Proposed Acquisition and benefits to the Company

The Group is a solution provider of precision machining and engineering services, with a primary focus in the aerospace industry. The Group has 3 key operating segments, namely, precision machining, trading and others, and equipment manufacturing.

The Company has budgeted for capital investment and intends to purchase up to 16 units of the CNC Machines to replace its existing old machinery for the Group's existing business operations in Singapore and for the Group's future expansion of its business operations. The purchase of the Machinery is also expected to increase the Group's capacity in its precision machining and engineering services business.

The Proposed Acquisition will allow the Group to purchase used machinery which are well-maintained and at a lower cost compared to purchasing similar new machinery from unrelated third parties. In addition, the Group can enjoy the immediate benefits as the Machinery are ready for immediate use and production runs.

Further details of the rationale for the Proposed Acquisition and benefits to the Company are set out in Section 3.3 of the Circular.

5.2 Assessment of the terms of the Proposed Acquisition

As described in Section 3 of this Letter, the basis of determining the purchase consideration for the purchase of the Machinery is the fair market value as determined by independent valuation to be conducted in connection with the Purchase Order for each batch of Machinery to be purchased. This will ensure that the consideration for the Proposed Acquisition collectively as an IPT will be conducted on an arm's length basis.

In addition, the Company will make an announcement each time it issues a Purchase Order.

The Company intends to fund the Proposed Acquisition through internal resources and bank borrowings.

While the final units of Machinery to be purchased from the UMS Group, the total purchase consideration for these Machinery payable to the UMS Group and the timing of these purchases could not be determined presently, the Company is seeking prior approval from Shareholders by way of the ordinary resolution at the EGM on the following premises:

- (a) The total number of Machinery to be purchased from the UMS Group is limited to a maximum of 16 units;
- (b) The maximum consideration for these 16 units is estimated at S\$4.36 million;
- (c) The purchase consideration for each of these Machinery will be supported by an independent market valuation to be carried out; and
- (d) The authority conferred by the ordinary resolution in respect of the Proposed Acquisition will expire on the earlier of (i) the date of the next AGM; or (ii) the date when the Proposed Acquisition is carried out to the full extent mandated, unless varied or revoked by the Company in general meeting.

The above will ensure that Shareholders' mandate for the Proposed Acquisition has pre-determined limits and validity period. If these limits are exceeded, the Company will need to seek fresh approval from Shareholders at an EGM to be convened if it wish to transact further with the UMS Group.

5.3 Other relevant considerations

5.3.1 Eliminate the need to convene separate general meetings

With the prior approval from Shareholders for the Proposed Acquisition collectively as an IPT, it will be administratively more efficient for the Company as it eliminates the need for the Company to convene separate EGMs and obtain IFA opinion each time the Company intends to purchase the Machinery from the UMS Group where the aggregate purchases from the UMS Group during the financial year exceed the 5% Threshold.

The Estimated Maximum Consideration represents 12.7% of the latest audited NTA of the Group of S\$34.26 million as at 31 December 2018.

5.3.2 Commentary by the Company in its results announcement for FY2018

We note that the Company had, in its FY2018 results announcement, included a commentary on the Group's prospects which is reproduced in *italics* below:

“Aerospace segment continues as the mainstream revenue of the Group, the global aerospace industry experienced a solid year as passenger travel demand expected growth rate of 7% annually and aircraft order backlog remains at an all-time high, enticing manufacturers to ramp up production rate.

The oil and gas segment remains challenging and uncertain largely due to shortage of projects despite signs of recovery in oil prices. The Group is on the lookout for positive developments in this segment and has recently received several orders from existing customers.

Equipment manufacturing segment, despite semiconductor industry is slowing down and U.S.-China trade tension, we are confident to achieve growth largely due to our well-diversified customer bases.

The Group will continue to monitor the market closely to capitalise on available opportunities either locally or outside Singapore; to capture the potential business opportunities, to leverage business risk and not overly-dependent on existing operation model, to enhance competitiveness and increasing its market share at respective business segments.”

6. OUR OPINION

In arriving at our opinion in respect of the Proposed Acquisition collectively as an IPT, we have reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment:

- (a) rationale for the Proposed Acquisition and benefits to the Company;
- (b) assessment of the terms of the Proposed Acquisition; and
- (c) other relevant considerations.

Overall, based on our analysis and after having considered carefully the information available to us, we are of the opinion that the Proposed Acquisition collectively as an IPT is on normal commercial terms and is not prejudicial to the interests of the Company and its Minority Shareholders.

Our opinion, as disclosed in this letter, is based on publicly available information and information provided by the Directors and Management and does not reflect any projections of future financial performance of the Company and/or the Group after the completion of the

Proposed Acquisition. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Proposed Acquisition collectively as an IPT.

Our opinion is required by Rule 921(4)(a) of the Catalist Rules and is addressed to the Non-Interested Directors for their benefit and for the purpose of their consideration of the Proposed Acquisition collectively as an IPT. The recommendation to be made by them to the Minority Shareholders shall remain their responsibility. Whilst a copy of this Letter may be reproduced in the Circular, neither the Company, the Directors nor any other persons may reproduce, disseminate or quote this Letter (or any part thereof) for any other purpose, other than for the purpose of the EGM, and for the purpose of the Proposed Acquisition collectively as an IPT, at any time and in any manner without the prior written consent of Provenance Capital in each specific case.

Our opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

**APPENDIX III –
EXTRACT OF VALUATION REPORT**

OUR REF 2069/03/19/HBK

VALUATION

of

4 Units MAZAK CNC Machining Center

for

JEP Precision Engineering Pte Ltd

16 Seletar Aerospace Crescent
Singapore 797567

VALUATION SUMMARY

JEP Precision Engineering Pte Ltd
 16 Seletar Aerospace Crescent
 Singapore 797567

4 Units **MAZAK** CNC Machining Center

Fair Market Value (S\$)
as at
March 4, 2019

Date of Valuation: March 4, 2019

JEP Precision Engineering Pte Ltd
 16 Seletar Aerospace Crescent
 Singapore 797567

4 Units **MAZAK** CNC Machining Center

1,360,000.00

(Detailed Supply scope on page 6 of this report)

Total

S\$ 1,360,000.00

Last Date of Inspection: March 4, 2019

March 5, 2019

JEP Precision Engineering Pte Ltd
16 Seletar Aerospace Crescent
Singapore 797567

Attn: Mr. Ong Han Poh | Financial Controller

Re: Appraisal – 4 Units **MAZAK** CNC Machining Center

Dear Sir,

Thank you for your instructions. Hilco Appraisal Singapore Pte Ltd ("Hilco") is pleased to submit the following appraisal report.

On March 4, 2019, Hilco Appraisal Singapore Pte Ltd personnel inspected the 4 Units **MAZAK** CNC Machining Center, for the interest of JEP Precision Engineering Pte Ltd, located at 16 Seletar Aerospace Crescent, Singapore 797567. The inspection was conducted to gather data relative to the assets.

The effective date of the appraisal is March 4, 2019. Subject to the assumptions and limiting conditions set forth in an addendum to this report, it is our professional judgment that, as of the effective date as detailed in this report, the equipment has an estimated

Fair Market Value:

One Million Three Hundred Sixty Thousand SGD
S\$1,360,000.00

Methodology

There are three basic valuation methods that are used to derive an indication of the value of the assets. These methods include the cost approach, sales comparison approach, and income approach to value.

Cost Approach

“A set of procedures in which an appraiser derives a value indication by estimating the current cost to reproduce or replace the personal property, deducting for all accrued depreciation.”

Sales Comparison Approach

“A set of procedures in which an appraiser derives a value indication by comparing the personal property being appraised to similar assets that have been sold recently, applying appropriate units of comparison, and making adjustments based on the elements of comparison to the sale prices of the comparable.”

Income Capitalization Approach

“A set of procedures in which an appraiser derives a value indication for income-producing personal property by converting anticipated benefits into value. This conversion is accomplished either by: (1) capitalizing a single year’s income expectancy or an annual average of several years’ income expectancies at a market derived capitalization rate or capitalization rate that reflects a specified income pattern, return on investment, and change in value of the investment; or (2) discounting the annual cash flows for the holding period and the reversion at a specified yield rate.”

The cost approach was the primary basis upon which the assets was appraised. In these instances, the sales comparison was given some consideration.

The income approach was not utilized. This approach gives consideration to income-generating criteria and is very limited in its application to the appraisal of machinery & equipment on a piecemeal basis. This is due to the difficulty in determining what portion of the total income and expense stream of a given plant would be attributable to a specific piece of equipment. This type of analysis is outside the scope of this appraisal.

Valuation

JEP Precision Engineering Pte Ltd
16 Seletar Aerospace Crescent
Singapore 797567

4 Units MAZAK CNC Machining Center

Fair Market Value
(S\$)
As At
March 4, 2019

Item # Qty.

Description

Manufacturer: **YAMAZAKI MAZAK CORPORATION (JAPAN)**

All machinery Inspected at:

16 Seletar Aerospace Crescent. Singapore 797567

51

1 1

MAZAK CNC Turning Center (Vertical Machining Center)

Max. Workpiece Diameter: 850mm, Max. Workpiece Height: 500mm, Spindle Taper: 40,

Max. Speed: 18,000rpm, Motor Output: 30kw (40HP), 80 ATC, with MAZATROL

SMOOTHX CNC Controller, Chip Conveyor and Machine Cooler

Table Tilt (A axis): 160°, Table Indexing (C axis): 360°

Feed Axis: X axis: 630mm, Y axis: 1100mm, Z axis: 600mm

Model: VARIAXIS i-700T

Year of Manufacture: 2018

Serial number: 291071

Photo number: 1 to 8

Good 460,000.00

Fair Market Value

(S\$)

As At

March 4, 2019

Condition

Description

Item # Qty.

460,000.00

Good

2 1 **MAZAK** CNC Turning Center (Vertical Machining Center)
Max. Workpiece Diameter: 850mm, Max. Workpiece Height: 500mm, Spindle Taper: 40,
Max. Speed: 18,000rpm, Motor Output: 30kw (40HP), 80 ATC, with MAZATROL
SMOOTHX CNC Controller, Chip Conveyor and Machine Cooler
Table Tilt (A axis): 160°, Table Indexing (C axis): 360°
Feed Axis: X axis: 630mm, Y axis: 1100mm, Z axis: 600mm
Model: VARIAXIS i-700T
Year of Manufacture: 2018
Serial number: 291072
Photo number: 9 to 16

220,000.00

Good

3 1 **MAZAK** CNC Machining Center (Horizontal Machining Center) Max. Workpiece
Diameter: 630mm, Max. Workpiece Height: 900mm, Pallet Size: 400mm, Spindle Taper:
40, Max. Speed 12,000rpm, 40 ATC, with MAZATROL SMOOTHG CNC Controller,
Chip Conveyor and Machine Cooler.
Feed Axis: X axis: 560mm, Y axis: 640mm, Z axis: 640mm
Model: HCN-4000
Year of Manufacture: 2018
Serial number: 295538
Photo number: 17 to 25

<u>Item #</u>	<u>Qty.</u>	<u>Description</u>	<u>Condition</u>	<u>Fair Market Value</u> <u>(S\$)</u> <u>As At</u> <u>March 4, 2019</u>
4	1	<p>MAZAK CNC Machining Center (Horizontal Machining Center) Max. Workpiece Diameter: 630mm, Max. Workpiece Height: 900mm, Pallet Size: 400mm, Spindle Taper: 40, Max. Speed 12,000rpm, 40 ATC, with MAZATROL SMOOTHG CNC Controller, Chip Conveyor and Machine Cooler. Feed Axis: X axis: 560mm, Y axis: 640mm, Z axis: 640mm Model: HCN-4000 Year of Manufacture: 2018 Serial number: 295539 Photo number: 26 to 34</p>	Good	220,000.00
Total Appraised Fair Market Value (S\$)				<u>1,360,000.00</u>

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