

**APPENDIX DATED 6 APRIL 2021**

**THIS APPENDIX 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.**

This Appendix is circulated to Shareholders of JEP Holdings Ltd. (the “**Company**”) together with the Company’s annual report. Its purpose is to explain to Shareholders the rationale and provide information relating to the renewal of the IPT Mandate (as defined herein) to be tabled at the forthcoming annual general meeting (“**AGM**”) of the Company to be held via electronic means on Thursday, 22 April 2021 at 9:30 am.

If you have sold or transferred all your ordinary shares in the Company represented by physical share certificate(s), you should forward this Appendix together with the Annual Report and the accompanying 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.

The Notice of AGM and a Proxy Form are enclosed with the Annual Report.

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

The contact person for the Sponsor is Mr. Lay Shi Wei, Registered Professional; Address: RHT Capital Pte. Ltd., 6 Raffles Quay #24-02, Singapore 048580, sponsor@rhtgoc.com



**JEP HOLDINGS LTD.**

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

**APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE INTERESTED PERSON TRANSACTIONS GENERAL MANDATE**

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## DEFINITIONS

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

<b>“Act” or “Companies Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“associate”</b>	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(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</li><li>(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more</li></ul> (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
<b>“Associated Company”</b>	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
<b>“Audit Committee”</b>	:	The audit committee of the Company from time to time
<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
<b>“Catalist”</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	:	SGX-ST Listing Manual Section B: Rules of Catalist, as the same may be amended, varied or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Appendix”</b>	:	This Appendix to Shareholders dated 6 April 2021
<b>“Company”</b>	:	JEP Holdings Ltd.

<b>“Controlling Shareholder”</b>	: 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
<b>“Director”</b>	: A director of the Company as at the date of this Appendix or from time to time, as the case may be
<b>“FY”</b>	: Financial year ended or ending 31 December, as the case may be
<b>“Group”</b>	: The Company and its subsidiaries
<b>“Independent Director”</b>	: An independent director of the Company
<b>“Interested Person”</b>	: Has the meaning ascribed to the term in Section 2.4 of this Appendix
<b>“Interested Person Transactions”</b>	: The category of transactions set out in Section 2.4 of this Appendix with the Interested Persons
<b>“IPT General Mandate”</b>	: 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
<b>“Latest Practicable Date”</b>	: 22 March 2021, being the latest practicable date prior to the printing of this Appendix
<b>“NAV”</b>	: Net asset value
<b>“Non-Interested Director”</b>	: The Directors of the Company who are independent for the purposes of a renewal of the IPT General Mandate, namely, Mr. Zee Hoong Huay, Mr. Wong Gang, Mr. Kong Chee Keong and Ms. Lee Sook Wai, Irene.
<b>“NTA”</b>	: Net tangible assets
<b>“Proxy Form”</b>	: The proxy form accompanying this Appendix
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited
<b>“Shareholder” or “Shareholders”</b>	: 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
<b>“Shares”</b>	: Issued and paid-up ordinary shares in the capital of the Company

<b>“Sponsor”</b>	:	RHT Capital Pte. Ltd.
<b>“subsidiaries”</b>	:	Shall bear the meaning ascribed in Section 5 of the Act and “Subsidiary” shall be construed accordingly
<b>“Substantial Shareholder”</b>	:	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
<b>“UMS”</b>	:	UMS Holdings Limited, a Controlling Shareholder of the Company
<b>“UMS Group”</b>	:	UMS and its subsidiaries
<b>“S\$”</b>	:	Singapore dollar
<b>“%”</b>	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act.

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. References to persons shall include corporations.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, or the Listing Manual or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act or the Listing Manual or such modification thereof, as the case may be.

Any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated. Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

# LETTER TO SHAREHOLDERS

## JEP HOLDINGS LTD.

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

### Directors

Mr. Andy Luong (Executive Chairman and Chief Executive Officer)  
Mr. Zee Hoong Huay (Executive Director)  
Mr. Wong Gang (Lead Independent Director)  
Mr. Kong Chee Keong (Independent Director)  
Ms. Lee Sook Wai, Irene (Independent Director)

### Registered Office

16 Seletar Aerospace  
Crescent  
Singapore 797567

6 April 2021

Dear Sirs

## PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

### 1. INTRODUCTION

#### 1.1 RENEWAL

The Directors of the Company propose to table the proposed renewal of the IPT General Mandate at the forthcoming AGM of the Company to be held via electronic means on Thursday, 22 April 2021 at 9:30 am.

At the electronic AGM (e-AGM) held on 22 June 2020, the Company has obtained an approval from shareholders whereby authority was given to the Company and/or its subsidiaries to enter into IPTs with UMS Group in the ordinary course of business, 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.

#### 1.2 Appendix to Shareholders

The purpose of this Appendix, which is circulated together with the Company's Annual Report, is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the IPT General Mandate.

### 2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

#### 2.1 Background

The IPT General Mandate approved at the AGM held on 22 June 2020 was expressed to have effect until next AGM of the Company. As such, the approved IPT General Mandate will expire on 22 June 2021. Pursuant to Rule 920 of the Catalist Rules, the Company will seek Shareholders' approval for the proposed renewal of the IPT General Mandate.

The proposed renewal of the IPT General Mandate will enable 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.

There is no change in the categories of transactions, entities at risk and interested persons in the proposed renewal of IPT General Mandate.

The renewed IPT General Mandate will take effect from the date of passing of the ordinary resolution relating thereto at the forthcoming AGM and will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM, 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, subject to satisfactory review by the Audit Committee of its continued application to the transactions with Interested Persons and are of the view that the guidelines and review procedures set out in Section 2.5 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/or its minority Shareholders.

## **2.2 Chapter 9 of the Catalyst Rules**

Chapter 9 of the Catalyst Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (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 Catalyst 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 Catalyst 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) the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction.
- (f) “financial assistance” includes: (a) the lending 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
- (g) 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 goods and

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).

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 consolidated 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 consolidated 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 consolidated NTA; or
- (b) five per cent. (5%) of the listed group's latest audited consolidated 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 Appendix.

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.

### **2.3 Rationale and benefits of the renewal of the IPT General Mandate**

In view of the time-sensitive and recurrent nature of commercial transactions, the Company is proposing the renewal 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.

The proposed renewal of the IPT General Mandate, if approved by the Shareholders at the AGM, 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 renewal of 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. 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**

### **Background**

In January 2018, UMS became a Controlling Shareholder of the Company. As at the Latest Practicable Date, UMS directly holds 168,416,970 Shares representing approximately 40.69% 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 Catalist 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 Catalist Rules.

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.

#### **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.

#### 2.4.2 Classes of Interested Persons

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

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 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.

## 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:

<b>Interested Person Transactions – Approval Matrix</b>		
<b>Value of each Interested Person Transaction as a percentage of the latest audited NTA of the Group</b>	<b>Approving Authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are comparable transactions or quotations</b>	<b>Approving Authorities (each having no interest, direct or indirect, in the Interested Person Transaction) – where there are no comparable transactions or quotations</b>
Less than 3%	Officer-in-charge <sup>(1)</sup> 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 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 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 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.

## 2.6 Validity period of the IPT General Mandate

The proposed renewal of the IPT General Mandate is subject to Shareholders' approval at the AGM and, if approved, will take effect from the date of the passing of the ordinary resolution relating thereto at the AGM, 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 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	Nature of Relationship	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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## 3. 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.

#### 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	<u>Number of Shares</u>			
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
Mr. Andy Luong <sup>(2)</sup>	1,150,000	0.28	168,416,970	40.69
Mr. Zee Hoong Huay <sup>(3)</sup>	57,864,655	13.98	7,759,500	1.87
Mr. Wong Gang	-	-	-	-
Mr. Wong Chee Keong	-	-	-	-
Ms. Lee Sook Wai, Irene	-	-	-	-

Substantial Shareholder (other than Directors)	<u>Number of Shares</u>			
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
UMS Holdings Limited <sup>(2)</sup>	168,416,970	40.69	-	-

#### Notes:

- (1) The percentages are based on the total issued and paid-up share capital of the Company comprising 413,944,721 Shares as at the Latest Practicable Date. The Company has no treasury shares.
- (2) Mr. Andy Luong holds 20.44% of the issued and paid up share capital of UMS Holdings Limited, which in turn holds 40.69% of the issued and paid up share capital of the Company. Mr Andy Luong 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 7,759,500 ordinary shares are registered in the Estate of his spouse, Ms. Lee Pui Rong.

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

#### 5. NON-INTERESTED DIRECTORS' RECOMMENDATIONS

The Non-Interested Directors having considered, *inter alia*, the rationale and information relating to the proposed renewal 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 Appendix. Accordingly, the Non-Interested Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the IPT General Mandate.

#### 6. ABSTENTION FROM VOTING

UMS will abstain from voting 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 resolution approving the IPT General Mandate. UMS shall also decline and has undertaken to ensure that its associates shall also decline, to accept appointment as proxies to vote at the forthcoming AGM in respect of the resolution approving a renewal of the IPT General

Mandate unless the Shareholder concerned has given specific instructions as to the manner in which his votes are to be cast.

Mr. Andy Luong will also abstain from voting and has undertaken to ensure that his associates will abstain from voting in respect of the resolutions approving a renewal of the IPT General Mandate. Mr. Andy Luong shall also decline and has undertaken to ensure that his associates shall also decline, to accept appointment as proxies to vote at the forthcoming AGM in respect of the resolution approving a renewal of the IPT General Mandate 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.

## **7. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the resolution in relation to the proposed renewal of the IPT General Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix 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 Appendix in its proper form and context.

The Board of Directors has confirmed that the Appendix application does not contravene any law and regulations governing the Company and the Constitution of the Company.

## **8. 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 Appendix up to and including the date of the AGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 December 2020.

Yours faithfully

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

Zee Hoong Huay  
Executive Director