



**JEP HOLDINGS LIMITED**  
**(Registration. No. 199401749E)**  
**(Incorporated in Singapore)**

**UNAUDITED CONDENSED INTERIM**  
**FINANCIAL STATEMENTS**

**For the six months ended 30 June 2024**

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**A. Condensed interim consolidated statement of profit or loss and other comprehensive income**

	Note	Group		
		6 months ended		Increase/
		30-Jun-24	30-Jun-23	(Decrease)
		S\$'000	S\$'000	%
Revenue	E4	27,331	29,541	(7.5)
Cost of sales		(23,527)	(25,729)	(8.6)
<b>Gross profit</b>		<b>3,804</b>	<b>3,812</b>	<b>(0.2)</b>
Other operating income		897	762	17.7
Selling and distribution expenses		(735)	(742)	(0.9)
Administrative expenses		(2,499)	(2,496)	0.1
Finance expenses		(301)	(331)	(9.1)
<b>Profit before tax</b>	E6	<b>1,166</b>	<b>1,005</b>	<b>16.0</b>
Income tax expense	E7	(142)	(168)	(15.5)
<b>Profit for the period attributable to owners of the Company</b>		<b>1,024</b>	<b>837</b>	<b>22.3</b>
<b>Other comprehensive income/(loss)</b>				
<i>Items that may be reclassified to profit or loss in subsequent periods</i>				
Currency translation difference		20	(295)	N.M
<b>Total comprehensive income for the period attributable to the owners of the Company</b>		<b>1,044</b>	<b>542</b>	<b>92.6</b>
Earnings per share attributable to owners of the Company				
Basic and diluted (in cents)		0.248	0.203	22.2

*N.M denotes not meaningful*

## B. Condensed interim statements of financial position

Note	Group		Company	
	As at		As at	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<b>ASSETS</b>				
<b>Current assets</b>				
	14,371	19,175	582	493
	15,973	16,092	336	471
E10	20,125	19,993	-	-
	<u>50,469</u>	<u>55,260</u>	<u>918</u>	<u>964</u>
<b>Non-current assets</b>				
	51,030	51,348	3	2
E11	11,292	11,292	-	-
E12	-	-	71,802	71,802
	10	6	10	6
	<u>62,332</u>	<u>62,646</u>	<u>71,815</u>	<u>71,810</u>
	<b>112,801</b>	<b>117,906</b>	<b>72,733</b>	<b>72,774</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
E13	1,392	2,790	-	-
E13	1,955	-	-	-
	9,770	11,494	654	1,153
	677	625	4	29
E13	406	486	-	-
	<u>14,200</u>	<u>15,395</u>	<u>658</u>	<u>1,182</u>
<b>Non-current liabilities</b>				
E13	108	15,751	-	-
E13	10,887	-	-	-
E13	5,526	5,491	-	-
	4,563	4,796	-	-
	<u>21,084</u>	<u>26,038</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>				
E14	49,226	49,226	49,226	49,226
E14	(203)	(203)	(203)	(203)
	772	772	870	870
	(676)	(696)	-	-
	28,398	27,374	22,182	21,699
	<u>77,517</u>	<u>76,473</u>	<u>72,075</u>	<u>71,592</u>
	<b>112,801</b>	<b>117,906</b>	<b>72,733</b>	<b>72,774</b>

**C. Condensed interim statements of changes of equity**

<u>Group</u>	<b>Share capital</b>	<b>Treasury shares</b>	<b>Capital reserve</b>	<b>Translation reserve</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b><u>2024</u></b>						
<b>Balance as at 1 January 2024</b>	49,226	(203)	772	(696)	27,374	76,473
Profit for the year	-	-	-	-	1,024	1,024
<i>Other comprehensive income</i>						
Currency translation difference	-	-	-	20	-	20
Total comprehensive income for the year	-	-	-	20	1,024	1,044
<b>Balance as at 30 June 2024</b>	<b>49,226</b>	<b>(203)</b>	<b>772</b>	<b>(676)</b>	<b>28,398</b>	<b>77,517</b>
<b><u>2023</u></b>						
<b>Balance as at 1 January 2023</b>	49,226	(203)	772	(318)	25,699	75,176
Profit for the year	-	-	-	-	837	837
<i>Other comprehensive loss</i>						
Currency translation difference	-	-	-	(295)	-	(295)
Total comprehensive (loss)/income for the year	-	-	-	(295)	837	542
<b>Balance as at 30 June 2023</b>	<b>49,226</b>	<b>(203)</b>	<b>772</b>	<b>(613)</b>	<b>26,536</b>	<b>75,718</b>

**C. Condensed interim statements of changes of equity (Cont'd)**

<u>Company</u>	Share capital	Treasury shares	Capital reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>2024</u></b>					
<b>Balance as at 1 January 2024</b>	49,226	(203)	870	21,699	71,592
Profit for the year	-	-	-	483	483
Total comprehensive income for the year	-	-	-	483	483
<b>Balance as at 30 June 2024</b>	<b>49,226</b>	<b>(203)</b>	<b>870</b>	<b>22,182</b>	<b>72,075</b>
<b><u>2023</u></b>					
<b>Balance as at 1 January 2023</b>	49,226	(203)	870	19,478	69,371
Profit for the year	-	-	-	904	904
Total comprehensive income for the year	-	-	-	904	904
<b>Balance as at 30 June 2023</b>	<b>49,226</b>	<b>(203)</b>	<b>870</b>	<b>20,382</b>	<b>70,275</b>

#### D. Condensed interim consolidated statement of cash flows

	Group	
	6 months ended	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<b>Operating activities</b>		
Profit before income tax	1,166	1,005
Adjustment for:		
Depreciation of property, plant and equipment	2,959	3,081
Gain on disposal of property, plant and equipment	-	(369)
Property, plant and equipment written off	-	1
Provision for inventory obsolescence	-	27
Unrealised foreign exchange gain	(175)	(348)
Interest income	(214)	(135)
Interest expense	301	331
Operating cash flow before movements in working capital	4,037	3,593
Inventories	(132)	(304)
Trade and other receivables	(852)	51
Trade and other payables	(1,409)	(5,699)
Cash generated from/(used in) operations	1,644	(2,359)
Interest paid	(301)	(331)
Interest received	214	135
Income tax paid	(328)	(426)
<b>Net cash generated from/(used in) operating activities</b>	<b>1,229</b>	<b>(2,981)</b>
<b>Investing activities</b>		
Purchase of property, plant and equipment (Note A)	(1,543)	(1,835)
Proceeds from disposal of property, plant and equipment (Note B)	-	481
<b>Net cash used in investing activities</b>	<b>(1,543)</b>	<b>(1,354)</b>
<b>Financing activities</b>		
Repayment of lease liabilities	(293)	(333)
Proceeds term loan from ultimate holding	13,000	-
Repayment term loan to ultimate holding	(158)	-
Repayment of term loans	(17,041)	(1,267)
<b>Net cash used in financing activities</b>	<b>(4,492)</b>	<b>(1,600)</b>
Net decrease in cash and bank balances	(4,806)	(5,935)
Effect of exchange rate changes	2	10
Cash and bank balances at beginning of year	19,175	23,785
<b>Cash and bank balances at end of year</b>	<b>14,371</b>	<b>17,860</b>

#### D. Condensed interim consolidated statement of cash flows (Cont'd)

The reconciliation of purchase of property, plant and equipment ("PPE") and proceeds from disposal of PPE are presented below:

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Note A</b>		
<b><u>Purchase of property, plant and equipment</u></b>		
Total additions	2,622	1,990
Less: Acquired under lease liabilities	(220)	(155)
Less: Movement in liability owing to supplier of PPE	(1,198)	-
Add: Movement in downpayment to supplier of PPE	339	-
<b>Net cash outflow</b>	<b>1,543</b>	<b>1,835</b>
<b>Note B</b>		
<b><u>Proceed from disposal of property, plant and equipment</u></b>		
Total net book value of disposal	-	112
Add: Gain on disposal of PPE	-	369
Total sales proceeds	-	481
Add: Movement in receivables arising from disposal of PPE	-	-
<b>Net cash inflow</b>	<b>-</b>	<b>481</b>

## **E. Notes to the condensed interim consolidated financial statements**

### **1. Corporate Information**

The Company (Registration No. 199401749E) was incorporated in Singapore with its principal place of business and registered office at 16 Seletar Aerospace Crescent Singapore 797567. The Company is listed on the Catalist board of Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at 30 June 2024 and for the six months and six months ended 30 June 2024 comprised the Company and its subsidiaries (collectively, Group).

The principal activities of the Company are that of investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note E12 to the interim consolidated financial statements.

### **2. Basis of Preparation**

The condensed interim financial statements for the six months ended 30 June 2024 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollars (SGD or S\$), which is the Company's functional currency, and all values in the tables are rounded to the nearest thousand (S\$'000), except when otherwise indicated.

#### **2.1 New and amended standards adopted by the Group**

The Group has adopted the relevant standards applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

#### **2.2 Use of judgements and estimates**

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2023.

Estimates and underlying assumptions were reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Management is of the opinion that there were no significant judgements made in applying the accounting policies in the condensed interim financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following notes:



## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 2. Basis of Preparation (Cont'd)

#### 2.2 Use of judgements and estimates (Cont'd)

- Impairment review of goodwill  
*Goodwill arises from the Group's acquisition of Dolphin Engineering Pte Ltd ("DEPL"), JEP Precision Engineering Pte Ltd ("JEPS") and JEP Industrades Pte Ltd ("JEPI"). The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.*
- Impairment review of property, plant and equipment  
*Where there are indications of impairment of its assets, the management estimates the recoverable amounts of these assets to determine the extent of the impairment loss, if any. The recoverable amounts of these assets are determined based on the higher of fair value less cost to sell and value-in-use.*
- Useful lives of property, plant and equipment  
*Management exercises their judgement in estimating the useful lives of the depreciable assets which takes into consideration the physical conditions of the assets and their useful lives. Depreciation is provided to write off the cost of property, plant and equipment over their estimated useful lives, using the straight-line method.*
- Allowance for inventories  
*Management reviews the aging analysis of inventories at the end of each reporting period, and makes allowance for inventory items that are identified as obsolete and slow-moving, which have a market price that is lower than its carrying amount. Management estimates the net realisable value for finished goods based primarily on the latest selling prices and current market conditions.*

### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

### 4. Segment and revenue information

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under SFRS(I) 8 are as follows:

1. The precision machining segment is a provider of precision machining services for aerospace, oil and gas, electronics and automotive industry.
2. The trading and other segment is a provider of machine sales and customised cutting tools for our customers.
3. The equipment manufacturing segment is a provider of large format precision engineering and equipment fabrication service.

Except as indicated above, no operating segments have been aggregated to form the above operating segment.

Management monitors the operating results of its reporting segments for the purpose of making decisions in order to assess the respective reporting segments' performances. This is evaluated based on operating profit or loss which in certain respects, as explained in the table below and is measured differently from operating profit or loss in the interim consolidated statement of comprehensive income. Group financing (including finance costs) and income taxes are managed on a group basis and are not allocated to reporting units.

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1. Reportable segments

The following table present revenue and profit information for the Group's business segments for the six months ended 30 June of 2024 and 2023, respectively.

6 months ended 30 June	Precision machining		Trading and others		Equipment manufacturing		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Revenue:</u>								
Total revenue	15,374	13,296	4,538	5,348	7,851	11,189	27,763	29,833
Inter-reporting unit sales	(4)	(80)	(312)	(207)	(116)	(5)	(432)	(292)
External customers	15,370	13,216	4,226	5,141	7,735	11,184	27,331	29,541
<b>Segment results</b>	<b>973</b>	<b>269</b>	<b>621</b>	<b>687</b>	<b>84</b>	<b>456</b>	<b>1,678</b>	<b>1,412</b>
<u>Unallocated expenses:</u>								
Unallocated corporate expenses							(211)	(76)
							1,467	1,336
Finance costs							(301)	(331)
Profit before tax							1,166	1,005
Income tax expense							(142)	(168)
<b>Net profit for the period after tax</b>							<b>1,024</b>	<b>837</b>

6 months ended 30 June	Precision machining		Trading and others		Equipment manufacturing		Group	
	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Other Segment Information</u>								
Capital expenditure	2,567	364	44	1,572	11	54	2,622	1,990
Depreciation of property, plant and equipment	2,039	2,006	25	30	895	1,045	2,959	3,081

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1. Reportable segments (Cont'd)

Revenue is based on the location of customers regardless of where the goods are produced. Non-current assets (exclude deferred tax assets) are based on the location of those assets.

6 months ended 30 June	Group							
	Precision machining		Trading and others		Equipment manufacturing		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Revenue:								
Singapore	4,873	3,821	1,067	1,241	7,254	8,940	13,194	14,002
People's Republic of China	1,800	1,785	1,218	2,324	-	-	3,018	4,109
Malaysia	1,181	1,181	1,437	1,018	157	575	2,775	2,774
USA	5,305	4,391	93	84	318	1,616	5,716	6,091
Canada	1,241	1,293	-	-	-	-	1,241	1,293
Others	970	745	411	474	6	53	1,387	1,272
	<b>15,370</b>	<b>13,216</b>	<b>4,226</b>	<b>5,141</b>	<b>7,735</b>	<b>11,184</b>	<b>27,331</b>	<b>29,541</b>

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 4.1. Reportable segments (Cont'd)

The following table shows the carrying amount of the segment assets and segment liabilities by geographical areas in which the assets and liabilities are located:

<u>Other Segment Information</u>	Segment assets		Segment liabilities	
	As at		As at	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	104,979	109,898	30,309	36,042
Malaysia	7,409	7,539	228	403
	<b>112,388</b>	<b>117,437</b>	<b>30,537</b>	<b>36,445</b>

	Group	
	As at	
	30-Jun-24	31-Dec-23
	S\$'000	S\$'000
Reportable segments' assets are reconciled to total assets as follows:		
Precision machining	68,223	69,228
Trading and others	18,403	18,155
Equipment manufacturing	25,762	30,054
<b>Segment assets</b>	<b>112,388</b>	<b>117,437</b>
GST input tax	372	443
Tax receivable	31	20
Deferred tax assets	10	6
<b>Total assets</b>	<b>112,801</b>	<b>117,906</b>

Reportable segments' liabilities are reconciled to total liabilities as follows:

Precision machining	23,453	25,304
Trading and others	2,796	2,853
Equipment manufacturing	4,288	8,288
<b>Segment liabilities</b>	<b>30,537</b>	<b>36,445</b>
GST output tax	184	181
Contract liability	-	11
Deferred tax liabilities	4,563	4,796
<b>Total liabilities</b>	<b>35,284</b>	<b>41,433</b>

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Financial assets</b>				
At amortised cost:				
- Cash and bank balances	14,371	19,175	582	493
- Trade receivables	13,083	11,875	-	-
- Other receivables	1,727	1,711	323	458
<b>Total</b>	<b>29,181</b>	<b>32,761</b>	<b>905</b>	<b>951</b>
<b>Financial liabilities</b>				
At amortised cost:				
- Bank loans	1,500	18,541	-	-
- Loans from ultimate holding	12,842	-	-	-
- Trade and other payables	9,585	11,302	611	1,081
- Lease liabilities	5,932	5,977	-	-
<b>Total</b>	<b>29,859</b>	<b>35,820</b>	<b>611</b>	<b>1,081</b>

### 6. Profit before tax

#### 6.1 Significant items

	Group	
	6 months ended 30-Jun-24	6 months ended 30-Jun-23
	S\$'000	S\$'000
<b>Other operating income/(expenses)</b>		
Government grant	56	60
Foreign exchange gain/(loss) (net)	304	(27)
Gain on disposal of property, plant and equipment	-	369
Interest income	214	135
<b>Expenses*</b>		
Interest expenses	(301)	(331)
Depreciation of property, plant and equipment	(2,959)	(3,081)
Property, plant and equipment written off	-	(1)
Provision for inventory obsolescence	-	(27)

\* Includes Selling and distribution expenses, Administrative expenses and Finance expenses

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 6.2 Related party transactions

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties are reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated.

Significant related party transactions as follows:

	<b>The Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Sale of goods	5,133	3,480
Purchase of goods	509	1,569
Sale of plant and equipment	-	18
Term loan interest	42	-

### 7. Taxation

	<b>Group</b>	
	<b>6 months ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Current tax expense	(379)	(168)
Deferred income tax expense relating to origination and reversal of temporary differences	237	-
Deferred tax charged to profit or loss	237	-
<b>Income tax expense for the period</b>	<b>(142)</b>	<b>(168)</b>

### 8. Dividend

No dividend has been declared or recommended for the financial year ended 30 June 2024 (30 June 2023: Nil). The available fund will be retained for working capital use.

### 9. Net Asset Value

	<b>Group</b>		<b>Company</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Net assets per ordinary share	18.8 cents	18.5 cents	17.5 cents	17.3 cents

Note:

Net assets per ordinary share based on number of issued 413,024,021 ordinary shares (excluding treasury shares) as at 30 June 2024 (31 December 2023: 413,024,021 ordinary shares (excluding treasury shares)).

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 10. Inventories

As at 30 June 2024, the carrying amount of the Group's inventories, net of allowance for obsolescence of S\$3,399,000 (31 December 2023: S\$3,399,000) amounted to S\$20,125,000 (31 December 2023: S\$19,993,000), which represented 40% (31 December 2023: 36%) of its current assets.

### 11. Intangible assets

<u>Group</u>	<b>Goodwill on consolidation S\$'000</b>
<b>Balance as at 31 December 2023</b>	
Cost	18,812
Accumulated amortisation and impairment	(7,520)
<b>Net book value</b>	<b><u>11,292</u></b>
<b>6 months ended 30 June 2024</b>	
Opening net book amount	11,292
Additions	-
Amortisation and Impairment charges	-
<b>Closing net book amount</b>	<b><u>11,292</u></b>
<b>Balance as at 30 June 2024</b>	
Cost	18,812
Accumulated amortisation and impairment	(7,520)
<b>Net book value</b>	<b><u>11,292</u></b>

No impairment indicators were identified as at 30 June 2024 based on the cash-generating units ("CGU") business performance. The Group performed its annual impairment test in December 2023. The key assumptions used to determine the recoverable amount for the CGU were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 12. Subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are set out below.

Name of subsidiary	Country of incorporation (or residence)	Proportion of ownership Interest and voting rights held by the Group		Principal activities	Cost of investment	
		30 Jun 2024	31 Dec 2023		30 Jun 2024	31 Dec 2023
		%	%		S\$'000	S\$'000
<u>Held by the Company</u>						
JEP Precision Engineering Pte Ltd	Singapore	100	100	Precision engineering works for parts used mainly in the aerospace, oil and gas industries, and other general engineering and machinery works.	42,870	42,870
JEP Industrades Pte Ltd	Singapore	100	100	Manufacturer, importers and exporters, traders, agents, repairs of precision machineries, carbide cutting tools, hardware, industrial equipment and engineering works.	7,236	7,236
Dolphin Engineering Pte Ltd	Singapore	100	100	Large format precision engineering and equipment fabrication service.	13,934	13,934
JEP Precision Engineering (M) Sdn Bhd	Malaysia	100	100	Steel structure fabrication and high precision machining for aerospace and semiconductor.	7,762	7,762
					71,802	71,802

### 13. Loans and borrowings consist of bank loans and lease liabilities

	<b>Group</b>	
	<b>30-Jun-24</b>	<b>31-Dec-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Secured borrowing</b>		
Amount repayable in one year or less, or on demand	1,446	2,937
Amount repayable after one year	108	15,751
	<b>1,554</b>	<b>18,688</b>
<b>Unsecured borrowing</b>		
Amount repayable in one year or less, or on demand	2,307	339
Amount repayable after one year	16,413	5,491
	<b>18,720</b>	<b>5,830</b>



## E. Notes to the condensed interim consolidated financial statements (Cont'd)

### 13. Loans and borrowings consist of bank loans and lease liabilities (Cont'd)

#### Details of any collaterals

As at 30 June 2024 the Group's secured lease liabilities and bank term loans are secured as follows:

- a) Secured lease liabilities amounting to S\$0.1 million (31 December 2023: S\$0.1 million) are secured by the production equipment and motor vehicles of subsidiaries; and
- b) Bank term loan amounting to S\$1.5 million (31 December 2023: S\$18.5 million) are secured by the property, plant and equipment of subsidiaries.

### 14. Share Capital

	Group and Company			
	30-Jun-24		31-Dec-23	
	No. of shares	S\$'000	No. of shares	S\$'000
<b>Issued and fully paid</b>				
At 30 June 2024 and 31 December 2023	413,944,721	49,226	413,944,721	49,226

The total number of issued shares excluding treasury shares as at 30 June 2024 was 413,024,021 shares (31 December 2023: 413,024,021 shares).

#### (i) Treasury Shares

The total of number of treasury shares as at 30 June 2024 was 920,700 (31 December 2023: 920,700).

The treasury shares held by the Company as at 30 June 2024 represent 0.223% (31 December 2023: 0.223%) of the total number of issued shares (excluding treasury shares).

There were no sales, transfers, cancellation and/or use of treasury shares as at 30 June 2024 (31 December 2023: Nil).

#### (ii) Subsidiary holdings

There is no subsidiary holdings as at 30 June 2024 (31 December 2023: Nil).

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 30 June 2024 (31 December 2023: Nil).

### 15. Subsequent events

There are no known subsequent events which led to adjustments to this set of interim financial statements.

**F. Other Information Required by Appendix 7C of the Catalist Rules**

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

The condensed interim statements of financial position of JEP Holdings Ltd and its subsidiaries as at 30 June 2024 and the related condensed interim consolidated statement of profit or loss and other comprehensive income, condensed interim statements of changes in equity and condensed interim consolidated statement of cash flows for the six months period then ended and certain explanatory notes have not been audited or reviewed.

**1A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:**

- a) Updates on the efforts taken to resolve each outstanding audit issue.**
- b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

Not applicable

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**Revenue, cost of sales and Profitability**

For 1HFY2024, the Group revenue decreased by 7.5% to S\$27.3 million compared from S\$29.5 million in 1HFY2023. The decrease in revenue was primarily attributed to a weaker performance in two business segments, Equipment Manufacturing and Trading & Others, which were impacted by the lower global demand for semiconductors. The Equipment Manufacturing segment decreased by 30.8% to S\$7.7 million while the Trading & Others segment decreased by 17.8% to S\$4.2 million.

In terms of revenue, the Group's Precision Machining segment (which includes Aerospace as well as Electronic Components sales) was the star performer - reporting a 16.3% growth in revenue from S\$13.2 million in 1HFY2023 to S\$15.4 million in 1HFY2024. The sales improvement came on the back of stronger contributions from both the Group's Aerospace and Electronics components businesses, which aerospace sales grew by 12.2% from S\$10.1 million to S\$11.3 million and electronic components' revenue increased from S\$3.1 million in 1HFY2023 to S\$4.1 million in 1HFY2024.

The Precision Machining segment posted a higher segment result of S\$1.0 million in the current half year as compared in the same period last year. Both the Equipment Manufacturing and Trading & Others segments reported lower segment results of S\$0.1 million and S\$0.6 million respectively in 1HFY2024.

In terms of geographical markets, the Group's key markets, (except for Malaysia and Others) - posted lower sales due mainly to softer global semiconductor demand. The Precision Machining segment, however, recorded revenue growth in its key markets of Singapore, China, USA and Others - as its performance was lifted by improvements in its Aerospace and Electronics Components businesses.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (Cont'd)**

- a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (Cont'd)**

Cost of sales decreased by 8.6%, from S\$25.7 million in 1HFY2023 to S\$23.5 million in 1HFY2024. The gross margin increased by 1.0% compared to 12.9% in 1HFY2023. This increase was due to the Group's product mix, which included higher-margin component sales, and a reduction in input costs from some energy savings due to the use of solar panels in its production facilities.

Despite the decrease in sales, all of the Group's core business segments remained profitable in the first half of the year. The Group profit before tax increased by 16.0% to S\$1.2 million from S\$1.0 million in 1HFY2023.

Reflecting the Group's performance, earnings per share ("EPS") for 1HFY2024 increase 22.2% to 0.248 cents from 0.203 cents in 1HFY2023. Group net asset value ("NAV") per share edged up to 18.8 cents as of 30 June 2024 compared to 18.5 cents as of 31 December 2023.

**Other operating income**

In 1HFY2024, other operating income slightly increased to S\$0.9 million from S\$0.8 million in 1HFY2023 mainly attributed to higher interest income received and registering foreign exchange gain instead of loss.

**Selling and distribution expenses**

Selling expenses mainly comprise staff costs of the Group's sales and marketing staff, outward freight, travelling and marketing expenses, and other related expenses. Compared to 1HFY2023, the expenses decreased slightly by 0.9% to S\$0.74 million.

**Administrative expenses**

Administrative expenses mainly comprise of staff costs, Directors' fee and compensation, depreciation charge in relation to non-production assets, professional fees, foreign exchange and other office expenses. In 1HFY2024, administrative expenses increased slightly by 0.1% compared to 1HFY2023.

**Finance expenses**

Finance costs decreased slightly in 1HFY2024, mainly due to lesser borrowings made and repayment loan during the period.

**Income tax expenses**

The Group recorded a total income tax expense of S\$0.14 million in 1HFY2024. Compared to 1HFY2023, the decrease was mainly due to an overprovision of deferred tax in the previous year.

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**2. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:- (Cont'd)**

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

**Non- current assets**

The decrease in total non-current assets of S\$0.3 million was mainly due to a net decrease of S\$0.3 million in property, plant, and equipment.

**Trade and other receivables**

Trade and other receivables remained relatively constant as compared to FY2023.

**Inventories**

Inventories remained relatively constant as compared to FY2023.

**Trade and other payables**

Trade and other payables decreased by S\$1.7 million from S\$11.5 million as at 31 December 2023 to S\$9.8 million as at 30 June 2024. This reduction was mainly due to fluctuations arising from the timing of payments made to creditors and lower purchases during the period.

**Lease liabilities**

The decrease in the Group's total lease liabilities was due to repayments related to leased property, plant, and equipment.

**Bank loans**

The Group total loans and borrowings decreased by S\$17.0 million from S\$18.5 million as at 31 December 2023 to S\$1.5 million as at 30 June 2024. This decrease was mainly due to term loans repayment for Seletar Aerospace Park (SAP) and Loyang Building.

**Loan from ultimate holding**

As announced on 24 May 2024, the Group entered into a loan agreement with its ultimate holding company, UMS Holdings Limited, for S\$13 million. This loan was used to fully repay the SAP term loan from DBS Bank Ltd. The reduction in the loan from the ultimate holding company was due to the repayment made during the period.

**Deferred tax liabilities**

Deferred tax liabilities decreased by S\$0.2 million to S\$4.6 million as at 30 June 2024 from S\$4.8 million as at 31 December 2023 primarily due to deferred tax expenses arising from the origination and reversal of temporary differences.

**Statement of cash flows of the Group**

The Group's financial position remained healthy with cash and bank balances of S\$14.4 million at the end of June 2024.

Approximately S\$1.5 million was used as capital expenditure to purchase equipment and to fund the progressive construction cost of a new factory in Penang, Malaysia.

The S\$4.3 million reduction reflects the Group's full repayment of its bank loans for SAP and Loyang Building, after netting off the S\$13.0 million loan from ultimate holding and lease liabilities during the period under review.

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

Not applicable

## **F. Other Information Required by Appendix 7C of the Catalyst Rules (Cont'd)**

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

The Group's commendable performance in the first six months of FY2024 underscores our resilience in the face of global market volatility and economic uncertainties. Despite the slowdown in global semiconductor demand, the Group's profitability improved as all our operating businesses stayed profitable.

Going forward, the sustained demand for global air travel will continue to lift demand for our aerospace business while global chip demand is expected to rebound as Asia's AI-chip trade growth continues to boom.<sup>1</sup>

According to trade organization SEMI, sales of worldwide semiconductor manufacturing equipment are set to reach \$109 billion this year, a growth of 3.4% year-on-year, - a new industry record.

Announced at the recent SEMICON West 2024 event, SEMI forecasts semiconductor equipment sales to continue to grow in 2025, with sales reaching another new record of \$128 billion. This will be driven by both the front-end and back-end segments.

The growth in total semiconductor manufacturing equipment sales is already underway this year. SEMI has predicted that there will be a robust expansion of roughly 17% in 2025.<sup>2</sup> This upcycle in the global semiconductor industry - driven by the diverse range of disruptive applications emerging from the Artificial Intelligence wave, - will augur well for the Group.

According to reports from IATA, average annual air passenger growth is also expected to grow at 3.6% a year to 2043, compared with a forecast of 9.7% increase this year, - with the Asia Pacific region - leading with an average growth of 4.8%.<sup>3</sup>

Looking ahead, the Group will continue to focus on our twin growth engines in the Semiconductor industry and the Aerospace industry.

With a healthy financial position, the Group is well-placed to seize new market opportunities in all of its core business segments to drive growth and profitability.

Moving forward, the Group will continue to maximize operational synergies with UMS to improve overall performance and seek new business opportunities.

<sup>1</sup> Source: *Asia's AI-chip trade growth continues to boom* - <https://think.ing.com/articles/northeast-asia-trade-on-microchips/#:~:text=AI%20chip%20demand%20will%20remain%20strong%20at%20least%20until%202025,%20According%20to%20industry&text=SK%20Hynix%20announced%20that%20its,expand%20their%20artificial%20intelligence%20services>

<sup>2</sup> Source: *SEMICON West 2024: Chip equipment sales to set new record in 2024* - <https://electronics360.globalspec.com/article/21280/semicon-west-2024-chip-equipment-sales-to-set-new-record-in-2024>

<sup>3</sup> Source: *Global airline passenger traffic expected to double in 20 years* - <https://e.vnexpress.net/news/world/global-airline-passenger-traffic-expected-to-double-in-20-years-4771802.html>

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

**5. Dividend**

- a) Current Financial Period Reported on**  
**Whether an interim (final) ordinary dividend has been declared (recommended):**
- None
- b) Corresponding Period of the Immediately Preceding Financial Year**  
**Any dividend declared for the corresponding period of the immediately preceding financial year?**
- None
- c) Date payable**
- Not applicable
- d) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**
- Not applicable
- e) The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**
- Not applicable

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

No dividend has been declared or recommended for the financial period ended 30 June 2024. The available fund will be retained for working capital use.

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

The Group has obtained a general mandate from its shareholders for IPTs at the e-AGM held on 24 April 2024.

As shown in the table below, the aggregate value of all interested person transactions during the period was approximately 8.72% of the group's latest audited net tangible assets as at 31 December 2023.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to <a href="#">Rule 920</a> )	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	30 June 2024	30 June 2024
UMS Holdings Limited & its subsidiaries	S\$42,465	S\$5,641,662

**F. Other Information Required by Appendix 7C of the Catalist Rules (Cont'd)**

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

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

**9. Disclosures on Incorporation, Acquisition and Realisation of Shares pursuant to Rule 706A of the Catalist Rules.**

During 1HFY2024, the Company did not acquire any shares resulting in any company becoming a subsidiary or associated company or increasing its shareholding percentage in any subsidiary. Additionally, the Company did not dispose any shares resulting in a company ceasing to be a subsidiary or associated company or decreasing its shareholding percentage in any subsidiary.

**10. Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the condensed interim financial statements for the six months period ended 30 June 2024 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Andy Luong  
Executive Chairman

Zee Hoong Huay  
Executive Director

**BY ORDER OF THE BOARD  
ANDY LUONG  
EXECUTIVE CHAIRMAN  
12 AUGUST 2024**