



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

UNAUDITED CONDENSED INTERIM
FINANCIAL STATEMENTS

For the six months and full year ended 31 December 2024

Table of Contents

A	Condensed interim consolidated statement of profit or loss and other comprehensive income.....	Page 2
B	Condensed interim statements of financial position.....	Page 3
C	Condensed interim statements of changes of equity.....	Page 4
D	Condensed interim consolidated statement of cash flows.....	Page 6
E	Notes to condensed interim consolidated financial statements.....	Page 8
F	Other information required by Appendix 7C of the Catalist Rules.....	Page 20

This announcement has been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Mr. Josh Tan at 36 Robinson Road, #10-06 City House, Singapore 068877, Email: sponsor@rhtgoc.com.

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

		Group					
Note	6 months ended		Increase/ (Decrease)	12 months ended		Increase/ (Decrease)	
	31-Dec-24	31-Dec-23	%	31-Dec-24	31-Dec-23	%	
		S\$'000	S\$'000		S\$'000	S\$'000	
	E4	29,579	28,605	3.4	56,910	58,146	(2.1)
		<u>(24,415)</u>	<u>(23,828)</u>	2.5	<u>(47,942)</u>	<u>(49,557)</u>	(3.3)
		5,164	4,777	8.1	8,968	8,589	4.4
		1,239	16	N.M	2,136	778	174.6
		(525)	(748)	(29.8)	(1,260)	(1,490)	(15.4)
		(3,045)	(2,618)	16.3	(5,544)	(5,114)	8.4
		<u>(350)</u>	<u>(320)</u>	9.4	<u>(651)</u>	<u>(651)</u>	-
	E6	2,483	1,107	124.3	3,649	2,112	72.8
	E7	<u>(381)</u>	<u>(269)</u>	41.6	<u>(523)</u>	<u>(437)</u>	19.7
		2,102	838	150.8	3,126	1,675	86.6
Other comprehensive Income/(loss)							
<i>Items that may be reclassified to profit or loss in subsequent periods</i>							
		424	(83)	N.M	444	(378)	N.M
		<u>2,526</u>	<u>755</u>	234.6	<u>3,570</u>	<u>1,297</u>	175.3
Total comprehensive income for the period attributable to the owners of the Company							
		0.509	0.203	150.7	0.757	0.406	86.5
		<u>0.509</u>	<u>0.203</u>		<u>0.757</u>	<u>0.406</u>	

N.M denotes not meaningful

B. Condensed interim statements of financial position

Note	Group		Company	
	As at		As at	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
ASSETS				
Current assets				
	12,648	19,175	1,526	493
	20,763	16,092	1,170	471
E10	21,020	19,993	-	-
	<u>54,431</u>	<u>55,260</u>	<u>2,696</u>	<u>964</u>
Non-current assets				
	51,600	51,348	2	2
E11	11,292	11,292	-	-
E12	-	-	71,802	71,802
	7	6	7	6
	<u>62,899</u>	<u>62,646</u>	<u>71,811</u>	<u>71,810</u>
	117,330	117,906	74,507	72,774
LIABILITIES AND EQUITY				
Current liabilities				
E13	755	2,790	-	-
E13	1,994	-	-	-
	13,491	11,494	1,607	1,153
	543	625	4	29
E13	352	486	-	-
	<u>17,135</u>	<u>15,395</u>	<u>1,611</u>	<u>1,182</u>
Non-current liabilities				
E13	-	15,751	-	-
E13	9,882	-	-	-
E13	5,353	5,491	-	-
	4,917	4,796	-	-
	<u>20,152</u>	<u>26,038</u>	<u>-</u>	<u>-</u>
Capital and reserves				
E14	49,226	49,226	49,226	49,226
E14	(203)	(203)	(203)	(203)
	772	772	870	870
	(252)	(696)	-	-
	30,500	27,374	23,003	21,699
	<u>80,043</u>	<u>76,473</u>	<u>72,896</u>	<u>71,592</u>
	117,330	117,906	74,507	72,774

C. Condensed interim statements of changes of equity

<u>Group</u>	Share capital	Treasury shares	Capital reserve	Translation reserve	Retained earnings	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2024						
Balance as at 1 January 2024	49,226	(203)	772	(696)	27,374	76,473
Profit for the year	-	-	-	-	3,126	3,126
<i>Other comprehensive income</i>						
Currency translation difference	-	-	-	444	-	444
Total comprehensive income for the year	-	-	-	444	3,126	3,570
Balance as at 31 December 2024	49,226	(203)	772	(252)	30,500	80,043
2023						
Balance as at 1 January 2023	49,226	(203)	772	(318)	25,699	75,176
Profit for the year	-	-	-	-	1,675	1,675
<i>Other comprehensive loss</i>						
Currency translation difference	-	-	-	(378)	-	(378)
Total comprehensive (loss)/ income for the year	-	-	-	(378)	1,675	1,297
Balance as at 31 December 2023	49,226	(203)	772	(696)	27,374	76,473

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
<u>2024</u>					
Balance as at 1 January 2024	49,226	(203)	870	21,699	71,592
Profit for the year	-	-	-	1,304	1,304
Total comprehensive income for the year	-	-	-	1,304	1,304
Balance as at 31 December 2024	49,226	(203)	870	23,003	72,896
<u>2023</u>					
Balance as at 1 January 2023	49,226	(203)	870	19,478	69,371
Profit for the year	-	-	-	2,221	2,221
Total comprehensive income for the year	-	-	-	2,221	2,221
Balance as at 31 December 2023	49,226	(203)	870	21,699	71,592

D. Condensed interim consolidated statement of cash flows

	Group			
	6 months ended		12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Operating activities				
Profit before income tax	2,483	1,107	3,649	2,112
Adjustment for:				
Depreciation of property, plant and equipment	2,883	2,944	5,842	6,025
Provision for impairment loss recognised on trade receivables	1	7	1	7
Gain on disposal of property, plant and equipment	(437)	(18)	(437)	(387)
Property, plant and equipment written off	1	-	1	1
Provision for inventory obsolescence	19	-	19	27
Unrealised exchange (gain) /loss	(266)	256	(441)	(92)
Interest income	(167)	(229)	(381)	(364)
Interest expense	350	320	651	651
Operating cash flow before movements in working capital	4,867	4,387	8,904	7,980
Inventories	(914)	(39)	(1,046)	(343)
Trade and other receivables	(1,493)	185	(2,345)	236
Trade and other payables	2,693	1,944	1,284	(3,755)
Cash generated from operations	5,153	6,477	6,797	4,118
Interest paid	(350)	(320)	(651)	(651)
Interest received	167	229	381	364
Income tax paid	(157)	(10)	(485)	(436)
Net cash generated from operating activities	4,813	6,376	6,042	3,395
Investing activities				
Purchase of property, plant and equipment (Note A)	(5,083)	(3,862)	(6,626)	(5,697)
Proceeds from disposal of property, plant and equipment (Note B)	477	194	477	675
Net cash used in investing activities	(4,606)	(3,668)	(6,149)	(5,022)
Financing activities				
Repayment of lease liabilities	(258)	(286)	(551)	(619)
Proceeds from term loan from ultimate holding	-	-	13,000	-
Repayment of term loan to ultimate holding	(965)	-	(1,123)	-
Repayment of term loans	(745)	(1,102)	(17,786)	(2,369)
Net cash used in financing activities	(1,968)	(1,388)	(6,460)	(2,988)
Net (decrease)/ increase in cash and bank balances	(1,761)	1,320	(6,567)	(4,615)
Effect of exchange rate changes	38	(5)	40	5
Cash and bank balances at beginning of year	14,371	17,860	19,175	23,785
Cash and bank balances at end of year	12,648	19,175	12,648	19,175

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:

	Group			
	6 months ended 31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Note A				
<u>Purchase of property, plant and equipment</u>				
Total additions	3,109	3,773	5,731	5,763
Less: Acquired under lease liabilities	(2)	(302)	(222)	(457)
Less: Movement in liability owing to supplier of PPE	607	531	(591)	531
Less: Movement in downpayment to supplier of PPE	1,369	(140)	1,708	(140)
Net cash outflow	5,083	3,862	6,626	5,697
Note B				
<u>Proceed from disposal of property, plant and equipment</u>				
Total net book value of disposal	40	176	40	288
Add: Gain on disposal of PPE	437	18	437	387
Total sales proceeds	477	194	477	675
Add: Movement in receivables arising from disposal of PPE	-	-	-	-
Net cash inflow	477	194	477	675

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 of Singapore Exchange Securities Trading Limited. These condensed interim consolidated financial statements as at 31 December 2024 and for the six months and twelve months ended 31 December 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 (second half ended 31 December 2024 or 2HFY2024) and twelve months ended 31 December 2024 (full year ended 31 December 2024 or FY2024) 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 ageing 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 31 December of 2024 and 2023, respectively.

6 months ended 31 December	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	18,799	15,901	4,057	4,231	7,015	8,690	29,871	28,822
Inter-reporting unit sales	-	(18)	(265)	(199)	(27)	-	(292)	(217)
External customers	18,799	15,883	3,792	4,032	6,988	8,690	29,579	28,605
Segment results	2,640	1,118	611	564	24	105	3,275	1,787
<u>Unallocated expenses:</u>								
Unallocated corporate expenses							(442)	(360)
Finance costs							2,833	1,427
Profit before tax							(350)	(320)
Income tax expense							2,483	1,107
Net profit for the period after tax							(381)	(269)
							2,102	838

6 months ended 31 December	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	1,987	3,282	585	432	537	59	3,109	3,773
Depreciation of property, plant and equipment	1,867	1,936	124	30	892	978	2,883	2,944

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

4.1. Reportable segments (Cont'd)

The following table present revenue and profit information for the Group's business segments for the twelve months ended 31 December of 2024 and 2023, respectively.

12 months ended 31 December	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	34,173	29,197	8,595	9,579	14,866	19,879	57,634	58,655
Inter-reporting unit sales	(4)	(98)	(577)	(406)	(143)	(5)	(724)	(509)
External customers	34,169	29,099	8,018	9,173	14,723	19,874	56,910	58,146
Segment results	3,613	1,387	1,232	1,252	108	561	4,953	3,200
<u>Unallocated expenses:</u>								
Unallocated corporate expenses							(653)	(437)
Finance costs							4,300	2,763
Profit before tax							(651)	(651)
Income tax expense							3,649	2,112
Net profit for the year after tax							(523)	(437)
							3,126	1,675

12 months ended 31 December	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	4,554	3,646	629	2,004	548	113	5,731	5,763
Depreciation of property, plant and equipment	3,906	3,942	149	60	1,787	2,023	5,842	6,025

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 31 December	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	4,777	4,201	1,055	1,115	5,796	6,885	11,628	12,201
People's Republic of China	2,239	2,232	659	1,484	-	-	2,898	3,716
Malaysia	1,725	974	1,427	972	1,094	167	4,246	2,113
USA	7,708	6,343	46	101	98	1,600	7,852	8,044
Canada	1,557	1,287	-	-	-	-	1,557	1,287
Others	793	846	605	360	-	38	1,398	1,244
	18,799	15,883	3,792	4,032	6,988	8,690	29,579	28,605

12 months ended 31 December	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	9,650	8,022	2,122	2,357	13,050	15,825	24,822	26,204
People's Republic of China	4,039	4,017	1,877	3,808	-	-	5,916	7,825
Malaysia	2,906	2,155	2,864	1,990	1,251	742	7,021	4,887
USA	13,014	10,734	139	185	415	3,216	13,568	14,135
Canada	2,798	2,580	-	-	-	-	2,798	2,580
Others	1,762	1,591	1,016	833	7	91	2,785	2,515
	34,169	29,099	8,018	9,173	14,723	19,874	56,910	58,146

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:

	Segment assets as at 31 December		Segment liabilities as at 31 December	
	2024	2023	2024	2023
<u>Other Segment Information</u>	S\$'000	S\$'000	S\$'000	S\$'000
Singapore	108,687	109,898	31,593	36,042
Malaysia	7,999	7,539	717	403
	116,686	117,437	32,310	36,445

	Group As at	
	31-Dec-24	31-Dec-23
	S\$'000	S\$'000
Reportable segments' assets are reconciled to total assets as follows:		
Precision machining	73,021	69,228
Trading and others	17,669	18,155
Equipment manufacturing	25,996	30,054
Segment assets	116,686	117,437
GST input tax	593	443
Tax receivables	44	20
Deferred tax assets	7	6
Total assets	117,330	117,906
Reportable segments' liabilities are reconciled to total liabilities as follows:		
Precision machining	23,929	25,304
Trading and others	3,828	2,853
Equipment manufacturing	4,553	8,288
Segment liabilities	32,310	36,445
GST output tax	53	181
Contract liability	7	11
Deferred tax liabilities	4,917	4,796
Total liabilities	37,287	41,433

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

4.2 A breakdown of sales

	Group		
	FY2024	FY2023	% increase/ (decrease)
	S\$'000	S\$'000	
a) Sales reported for first half year	27,331	29,541	(7.5)
b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,024	837	22.3
c) Sales reported for the second half year	29,579	28,605	3.4
d) Operating profit after tax before deducting non-controlling interests reported for second half year	2,102	838	150.8

5. Financial assets and financial liabilities

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

	Group		Company	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Financial assets</u>				
At amortised cost:				
- Cash and bank balances	12,648	19,175	1,526	493
- Trade receivables	15,348	11,875	-	-
- Other receivables	1,206	1,711	1,156	458
Total	29,202	32,761	2,682	951
<u>Financial liabilities</u>				
At amortised cost:				
- Bank loans	755	18,541	-	-
- Loan from ultimate holding	11,876	-	-	-
- Trade and other payables	13,431	11,302	1,584	1,081
- Lease liabilities	5,705	5,977	-	-
Total	31,767	35,820	1,584	1,081

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

6. Profit before tax

6.1 Significant items

	Group			
	6 months ended		12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<u>Other operating income/(expenses)</u>				
Government grant	29	41	85	101
Foreign exchange gain/(loss) (net)	125	(551)	429	(578)
Dormitory occupancy income	318	297	636	504
Rental income	158	-	158	-
Gain on disposal of property, plant and equipment	437	18	437	387
Interest income	167	229	381	364
<u>Expenses*</u>				
Interest expenses	(350)	(320)	(651)	(651)
Depreciation of property, plant and equipment	(2,883)	(2,944)	(5,842)	(6,025)
Property, plant and equipment written off	(1)	-	(1)	(1)
Provision for impairment loss recognised on trade receivables	(1)	(7)	(1)	(7)
Provision for inventory obsolescence	(19)	-	(19)	(27)

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

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:

	Group			
	6 months ended		12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Sale of goods	4,727	4,218	9,860	7,698
Purchase of goods	920	801	1,429	2,370
Purchase of machinery	234	-	234	-
Sale of machinery	-	187	-	205
Rental income	158	-	158	-
Term loan interest	235	-	277	-

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

7. Taxation

	Group			
	6 months ended		12 months ended	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
Current tax expense	(165)	(37)	(544)	(205)
Over/(under) provision for tax expenses in prior years	141	(21)	141	(21)
Over/(under) provision for deferred tax in prior years	60	(21)	60	(21)
Deferred income tax expense relating to origination and reversal of temporary differences	(417)	(190)	(180)	(190)
Deferred tax charged to profit or loss	(357)	(211)	(120)	(211)
Income tax expense for the period	(381)	(269)	(523)	(437)

8. Dividend

No dividend has been declared or recommended for the financial year ended 31 December 2024 (31 December 2023: Nil). The available fund will be retained for working capital use.

9. Net Asset Value

	Group		Company	
	31-Dec-24	31-Dec-23	31-Dec-24	31-Dec-23
	S\$	S\$	S\$	S\$
Net assets per ordinary share	19.4 cents	18.5 cents	17.6 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 31 December 2024 (31 December 2023: 413,024,021 ordinary shares (excluding treasury shares)).

10. Inventories

As at 31 December 2024, the carrying amount of the Group's inventories, net of allowance for obsolescence of S\$3,163,000 (31 December 2023: S\$3,399,000) amounted to S\$21,020,000 (31 December 2023: S\$19,993,000), which represented 39% (31 December 2023: 36%) of its current assets.

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

11. Intangible assets

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

No impairment indicators were identified as at 31 December 2024 based on the cash-generating units ("CGU") business performance. The Group performed its annual impairment test in December 2024.

(a) Goodwill on consolidation

Impairment tests for goodwill

The aggregate carrying amount of goodwill is allocated to the Group's CGU identified as follows:

	Group	
	31-Dec-24	31-Dec-23
	S\$'000	S\$'000
Precision machining - JEPS	5,200	5,200
Trading and others - JEPI	814	814
Equipment manufacturing - DEPL	5,278	5,278
	11,292	11,292

The recoverable amount of the CGU was based on its value in use.

Value in use was determined by discounting the future cash flows to be generated from the continuing use of the CGU. Value in use as at 31 December 2024 was determined based on the following key assumptions:

	Gross margin		Discount rate	
	2024	2023	2024	2023
Group				
Precision machining - JEPS	13%	8%	13.76%	13.44%
Trading and others - JEPI	28%	27%	18.07%	18.92%
Equipment manufacturing - DEPL	7%	13%	18.66%	17.27%

As at 31 December 2024, any reasonably possible change to the key assumptions applied is not likely to cause the recoverable amounts to be below the carrying amounts of the CGUs.

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.

<u>Name of subsidiary</u>	<u>Country of incorporation (or residence)</u>	<u>Proportion of ownership interest and voting rights held by the Group</u>		<u>Principal activities</u>	<u>Cost of investment</u>	
		<u>2024</u>	<u>2023</u>		<u>2024</u>	<u>2023</u>
		<u>%</u>	<u>%</u>		<u>S\$'000</u>	<u>S\$'000</u>
<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, Semiconductor and Oil and Gas industries.	7,762	7,762
					71,802	71,802

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

	<u>Group</u>	
	<u>31-Dec-24</u>	<u>31-Dec-23</u>
	<u>S\$'000</u>	<u>S\$'000</u>
Secured borrowing		
Amount repayable in one year or less, or on demand	755	2,937
Amount repayable after one year	-	15,751
	755	18,688
Unsecured borrowing		
Amount repayable in one year or less, or on demand	2,346	339
Amount repayable after one year	15,235	5,491
	17,581	5,830

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 31 December 2024 the Group's secured lease liabilities and bank term loans are secured as follows:

- a) There are no secured lease liabilities are secured by the production equipment and motor vehicles of subsidiaries (31 December 2023: S\$0.1 million); and
- b) Bank term loan amounting to S\$0.8 million (31 December 2023: S\$18.5 million) are secured by the property, plant and equipment of subsidiaries.

14. Share Capital

	Group and Company			
	31-Dec-24		31-Dec-23	
	No. of shares	S\$'000	No. of shares	S\$'000
Issued and fully paid				
At 31 December 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 31 December 2024 was 413,024,021 shares (31 December 2023: 413,024,021 shares).

(i) Treasury Shares

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

The treasury shares held by the Company as at 31 December 2024 represent 0.222% (31 December 2023: 0.222%) of the total number of issued shares (excluding treasury shares).

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

(ii) Subsidiary holdings

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

There were no sales, transfers, cancellation and/or use of subsidiary holdings as at 31 December 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 31 December 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 twelve 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 and cost of sales

In FY2024, the Group achieved a net attributable profit of S\$3.1 million on sales of S\$56.9 million for the year - an increase of 86.6% in profit. Sales in FY2024 remained relatively stable a 2.1% drop from S\$58.1 million in FY2023. Group profit before tax for the year increased by 72.8% to S\$3.6 million from S\$2.1 million in FY2023.

The Group's bottom line largely benefited mainly due to a foreign exchange gain of S\$1.0 million, as well as the improved performance of its aerospace business.

The revenue dip in FY2024 was primarily attributed to a weaker performance from its Equipment Manufacturing and Trading and Others segments, which were impacted by the slowdown of the semiconductor market during the year. The Group's aerospace business however posted stronger sales - up 16.0% - compared to FY2023.

All of the Group's core business segments remained profitable in FY2024.

Sales in the Precision Machining segment increased to S\$34.2 million in FY2024, compared to S\$29.1 million in FY2023. Profit for this segment increased by 160.5% to S\$3.6 million, mainly due to higher revenue with better margin compared to FY2023. This segment primarily comprises two sectors: electronic components and the aerospace sector.

This segment's performance was lifted by stronger contributions from its aerospace business as well as its electronics components business. In FY2024, aerospace sales grew almost 16.0% to S\$26.3 million from S\$22.7 million in the previous year. The electronic components' revenue increased from S\$6.3 million in FY2023 to S\$7.8 million in FY2024.

The Equipment Manufacturing segment posted a lower profit of S\$0.1 million (S\$0.6 million in FY2023) on sales of S\$14.7 million, which fell 25.9% from S\$19.9 million in FY2023, due to lower global demand for semiconductors.

The Trading & Others segment's profit remained relatively stable at S\$1.2 million in FY2024 compared to S\$1.3 million in FY2023. Sales of this segment was S\$8.0 million - 12.6% lower than the previous year due to weaker demand for industrial manufacturing equipment globally.

F. Other information required by Appendix 7C of the Catalyst 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)

The Group's key markets showed a mixed performance, with sales rising in Malaysia, Canada and other markets, while Singapore, China and the USA posted lower revenue.

Revenue from Malaysia grew from S\$4.9 million in FY2023 to S\$7.0 million in FY2024, driven by growth in the Precision Machining and Trading & Others segments. Sales in Canada rose from S\$2.6 million to S\$2.8 million, supported by higher sales in the Precision Machining segment. Revenue from other markets also increased from S\$2.5 million to S\$2.8 million.

In contrast, sales in Singapore decreased from S\$26.2 million in FY2023 to S\$24.8 million in FY2024, primarily due to lower revenue from the Equipment Manufacturing and Trading & Others segments. Revenue from China fell 24.4% from S\$7.8 million to S\$5.9 million, mainly due to a decline in sales in the Trading & Others segment. Revenue in USA also slipped, 4.0% - from S\$14.1 million to S\$13.6 million - on the back of lower sales from its Equipment Manufacturing business. In FY2024, the Precision Machining segment delivered revenue growth across all markets.

The cost of sales decreased by 3.3% from S\$49.6 million in FY2023 to S\$47.9 million in FY2024. The gross margin increased 1.0% compared to 14.8% in FY2023. This increase was attributed to the Group's product mix.

Reflecting the Group's performance, earnings per share ("EPS") for FY2024 increased 86.5% to 0.757 cents from 0.406 cents in FY2023. The Group's net asset value ("NAV") per share edged up to 19.4 cents as of 31 December 2024 compared to 18.5 cents as of 31 December 2023.

Compared to the second half ended 31 December 2023 ("2HFY2023"), the Group posted a much improved bottom line performance. Its pre-tax profit grew 124.3% to S\$2.5 million (vs S\$1.1 million in 2HFY2023) while its net attributable profit leapt 150.8% to S\$2.1 million from S\$0.8 million in the same period last year.

Group sales went up 3.4% to S\$29.6 million in 2HFY2024 from S\$28.6 million in the corresponding period last year. The Group's Precision Machining segment was the star performer – achieving sales of S\$18.8 million in 2HFY2024 - up 18.4% from S\$15.9 million in 2HFY2023. The improved performance was lifted by Aerospace sales which grew by 19.0% from S\$12.6 million in 2HFY2023 to S\$15.0 million in 2HFY2024. Revenue from Electronic Components also saw a slight increase of S\$0.5 million in 2HFY2024.

The improved aerospace revenue was driven by the rise in global air travel which lifted sales to China, the USA and Canada. Revenue from the Equipment Manufacturing and Trading & Others segments fell by about 19.6% and 6.0% respectively compared to 2HFY2023.

Other operating income/(expenses)

In FY2024, other operating income increased to S\$2.1 million from S\$0.8 million in FY2023 mainly attributed to gain on the disposal of property, plant, and equipment, interest income, dormitory occupancy income and registering foreign exchange gain.

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. The expenses in FY2024 decreased by 15.4% as compared to FY2023.

F. Other information required by Appendix 7C of the Catalyst 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)**

Administrative expenses

Administrative expenses mainly comprise of staff costs, Directors' fee and compensation, depreciation charge in relation to non-production assets, professional fees, and other office expenses. In FY2024, the increase of 8.4% was mainly due to retirement benefit, upkeep expenses of equipment, staff cost and depreciation expenses.

Finance expenses

Finance costs remained relatively constant compared to FY2023. However, compared to 2HFY2023, finance expenses increased slightly by 9.4% due to a rise in the interest rate.

Income tax expenses

The Group recorded a total income tax expense of S\$0.5 million in FY2024 compared to S\$0.4 million in FY2023, the increase in the income tax expenses was due to higher profits made during the year.

- 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

Non-current assets remained relatively constant compared to FY2023. This was due to additions to property, plant, and equipment, net of depreciation of S\$5.8 million.

Trade and other receivables

Trade and other receivables increased by S\$4.7 million from S\$16.1 million as at 31 December 2023 to S\$20.8 million as at 31 December 2024. The increase was mainly due to fluctuations arising from business volume made by customers.

Inventories

Inventories increased by S\$1.0 million from S\$20.0 million as at 31 December 2023 to S\$21.0 million as at 31 December 2024. The increase was mainly due to higher purchases was made during the year.

Trade and other payables

Trade and other payables increased by S\$2.0 million from S\$11.5 million as at 31 December 2023 to S\$13.5 million as at 31 December 2024. The increase was mainly due to fluctuation arising from business volume made to creditors.

Lease liabilities

The Group total lease liabilities decreased by S\$0.3 million from S\$6.0 million as at 31 December 2023 to S\$5.7 million as at 31 December 2024. The reduction was due to a repayment in relation of leased property, plant and equipment.

Bank loans

The Group total loans and borrowings decreased by S\$17.7 million from S\$18.5 million as at 31 December 2023 to S\$0.8 million as at 31 December 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 Integration 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.

F. Other information required by Appendix 7C of the Catalyst 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)**

Deferred tax liabilities

Deferred tax liabilities increased by S\$0.1 million to S\$4.9 million in FY2024 from S\$4.8 million in FY2023 primarily due to deferred tax expenses arising from the origination and reversal of temporary differences.

Statement of cash flows of the Group

Net cash generated from operating activities increased by S\$2.6 million from S\$3.4 million in FY2023 to S\$6.0 million in FY2024.

During the year, the Group incurred capital expenditure for the purchase of machinery, equipment, and progressive construction costs for its new factory in Penang, Malaysia.

Net cash used in financing activities was for the repayment of term loans and lease liabilities. The Group also pared down its loans - including full repayment of its bank loans for its properties at SAP and Loyang.

The Group's financial position remained healthy with net cash and cash equivalents of S\$12.6 million as of 31 December 2024.

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

Not applicable

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 delivered a creditable performance in FY2024 despite difficult macroeconomic conditions, inflationary pressures and market uncertainties. We took proactive measures on cost management and operational efficiency which have helped mitigate the effects of lower sales volume. Our strong efforts in driving earnings growth - especially in the aerospace sector - lifted the Group's profitability in the year under review.

Despite continuing challenges in the operating environment, the Group sees growth opportunities in all its core business segments – particularly in the aerospace and semiconductor sectors.

According to the International Air Transport Association (IATA), the number of air travellers around the world is expected to surpass five billion for the first time in 2025 and total revenues in the industry are set to exceed US\$1 trillion for the first time in 2025, at US\$1.007 trillion.¹

The surge in air travel will drive strong demand for new aircraft. According to Airbus's regional market forecast, the Asia-Pacific aviation sector will require 19,500 new aircraft over the next 20 years. This represents 46% of the global requirement, which is expected to reach around 42,430 new aircraft by 2043.²

The Semiconductor Industry Association (SIA) has forecast double-digit growth for the global semiconductor industry in 2025 and expects the long-term industry outlook to be "incredibly strong".³

According to Deloitte, the semiconductor industry is set for a much better 2025, with projected sales reaching US\$697 billion, representing an 11.2% year-over-year growth.⁴

F. Other information required by Appendix 7C of the Catalist 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. (Cont'd)

This upcycle in the global semiconductor industry - driven by the diverse range of disruptive applications emerging from the Artificial Intelligence (AI) wave as well as the air travel boom - will augur well for us. Given these upbeat trends, and supported by our core strengths and healthy financial position, the Group remains confident of achieving long-term sustainable growth.

¹ Source : <https://www.straitstimes.com/world/number-of-air-travellers-to-cross-5-billion-for-first-time-in-2025-average-fares-to-drop-iata>

² Source : <https://www.ttgasia.com/2024/11/21/airbus-sees-demand-for-19500-new-aircraft-in-asia-pacific-by-2043/>

³ Source : <https://www.semiconductors.org/global-semiconductor-sales-increase-19-1-in-2024-double-digit-growth-projected-in-2025/>

⁴ Source : <https://www2.deloitte.com/us/en/insights/industry/technology/technology-media-telecom-outlooks/semiconductor-industry-outlook.html>

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 year ended 31 December 2024. The available fund will be retained for working capital use.

F. Other information required by Appendix 7C of the Catalist Rules (Cont'd)

- 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 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 18.3% 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 Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	31 December 2024	31 December 2024
UMS Integration Limited (fka UMS Holdings Limited) & its subsidiaries	S\$683,771	S\$11,274,449

As announced on 24 May 2024, the Group entered into a S\$13 million loan agreement with its ultimate holding company, UMS Integration Limited. The aggregate value of all IPTs under review is S\$683,771, of which S\$276,811 is interest on the term loan from the ultimate holding company.

- 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 FY2024, 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. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

For detailed review of performance, please refer to item 2 in Section F above.

F. Other information required by Appendix 7C of the Catalist Rules (Cont'd)

11. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) in the format below. If there is no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Darren Zee Yu Liang	37	The eldest son of Mr. Zee Hoong Huay*, the Executive Director of the Company	Director of JEP Precision Engineering (M) Sdn Bhd.	N.A.

Note - Mr. Zee Hoong Huay retired as an Executive Director of the Company, effective 27 February 2025.*

On behalf of the Board of Directors

Andy Luong
Executive Chairman

Goh Kuan Teck
Executive Director

**BY ORDER OF THE BOARD
ANDY LUONG
EXECUTIVE CHAIRMAN
27 FEBRUARY 2025**