



**JEP HOLDINGS LTD.**

(Formerly known as Alantac Technology Ltd.)

(the “Company”)

(Registration No. 199401749E)

(Incorporated in the Republic of Singapore on 12 March 1994)

**Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2015**

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS ANNOUNCEMENTS**

1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Financial Year Ended 31 December 2015 S\$'000 (Unaudited)	Financial Year Ended 31 December 2014 S\$'000 (Restated) <sup>(1)</sup>	Increase/ (Decrease) %
<b>Continuing operations</b>			
<b>Revenue</b>	58,778	49,777	18.1
Cost of sales	(52,025)	(45,252)	14.9
<b>Gross profit</b>	6,753	4,525	49.2
<b>Other items of income</b>			
Other operating income	1,389	1,421	(2.3)
<b>Other items of expense</b>			
Selling and distribution expenses	(1,463)	(1,419)	3.1
Administrative expenses	(5,890)	(5,158)	14.2
Finance costs	(532)	(443)	20.1
<b>Profit/(loss) before tax from continuing operation</b>	257	(1,074)	N.M.
Tax credit	260	169	53.8
<b>Profit/(loss) after tax from continuing operations for the year</b>	<b>517</b>	<b>(905)</b>	N.M.
<b>Discontinued operation</b>			
(Loss)/profit from discontinued operation after tax	(2)	186	N.M.
<b>Profit/(loss) for the year, net of tax</b>	<b>515</b>	<b>(719)</b>	N.M.
<b>Other comprehensive expense, net of tax:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Currency translation differences	(1)	(14)	(92.9)
<b>Total comprehensive income/(expense) for the year</b>	<b>514</b>	<b>(733)</b>	N.M.

N.M. = not meaningful

Note 1

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

	<b>Financial Year Ended 31 December 2015</b>	<b>Financial Year Ended 31 December 2014</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
	(Unaudited)	(Restated) <sup>(1)</sup>	
<b>Profit/ (loss) for the year, attributable to:</b>			
Equity owners of the Company	640	(704)	N.M.
Non-controlling interests	(125)	(15)	733.3
	<b>515</b>	<b>(719)</b>	N.M.
<b>Total comprehensive income/(expense) for the year attributable to:</b>			
Equity owners of the Company	639	(717)	N.M.
Non-controlling interests	(125)	(16)	681.2
	<b>514</b>	<b>(733)</b>	N.M.

**1(a)(ii) Notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:**

Profit/(loss) before tax from operations is derived after charging/(crediting) the following:

	<b>Financial Year Ended 31 December 2015</b>	<b>Financial Year Ended 31 December 2014</b>	<b>Increase/ (Decrease)</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
	(Unaudited)	(Restated) <sup>(1)</sup>	
The Group			
Allowance for doubtful debts	30	-	100.0
Amortisation of intangible assets	870	850	2.4
Gain on disposal of property, plant and equipment	(156)	(343)	(54.5)
Amortisation of gain on sales & leaseback	(529)	(529)	0.0
Foreign exchange gain	63	199	(68.3)
Interest expense	532	443	20.1
Depreciation of property, plant and equipment	3,955	3,254	21.5

N.M. = not meaningful

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

**1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	The Group			The Company		
	31.12.2015 S\$'000 (Unaudited)	31.12.2014 S\$'000 (Restated) <sup>(1)</sup>	1.1.2014 S\$'000 (Restated) <sup>(1)</sup>	31.12.2015 S\$'000 (Unaudited)	31.12.2014 S\$'000 (Restated) <sup>(1)</sup>	1.1.2014 S\$'000 (Restated) <sup>(1)</sup>
<b>ASSETS</b>						
<b>Non-current assets:</b>						
Property, plant and equipment	30,544	27,787	23,921	5	11	20
Investment in subsidiaries	-	-	-	50,639	43,401	43,401
Goodwill on consolidation	17,949	16,728	16,728	-	-	-
Intangible assets	1,833	2,335	3,185	-	-	-
Deferred tax assets	306	306	306	306	306	306
	<b>50,632</b>	<b>47,156</b>	<b>44,140</b>	<b>50,950</b>	<b>43,718</b>	<b>43,727</b>
<b>Current assets:</b>						
Inventories	13,459	10,119	5,028	-	-	-
Trade receivables	13,193	10,692	7,767	-	-	-
Other receivables	852	337	157	-	-	-
Deposits and prepaid operating expenses	964	798	637	8	24	7
Amount due from subsidiary	-	-	-	966	1,313	6
Derivative financial instrument	-	5	-	-	-	-
Cash and bank balances	3,139	2,950	6,109	287	117	1,232
	<b>31,607</b>	<b>24,901</b>	<b>19,698</b>	<b>1,261</b>	<b>1,454</b>	<b>1,245</b>
Assets of disposal group classified as held for sale	37	42	809	-	-	-
	<b>31,644</b>	<b>24,943</b>	<b>20,507</b>	<b>1,261</b>	<b>1,454</b>	<b>1,245</b>
<b>Total assets</b>	<b>82,276</b>	<b>72,099</b>	<b>64,647</b>	<b>52,211</b>	<b>45,172</b>	<b>44,972</b>
<b>EQUITY AND LIABILITIES</b>						
<b>Current liabilities:</b>						
Trade payables	6,745	5,707	3,760	-	-	-
Other payables and accruals	7,079	3,949	5,062	204	218	182
Amount due to subsidiary	-	-	-	856	-	-
Obligations under finance leases	4,719	4,479	2,000	-	-	-
Loans and borrowings	4,558	8,415	8,100	-	4,000	3,100
	<b>23,101</b>	<b>22,550</b>	<b>18,922</b>	<b>1,060</b>	<b>4,218</b>	<b>3,282</b>
Liabilities directly associated with disposal group classified as held for sale	-	3	241	-	-	-
	<b>23,101</b>	<b>22,553</b>	<b>19,163</b>	<b>1,060</b>	<b>4,218</b>	<b>3,282</b>

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

	The Group			The Company		
	31.12.2015 S\$'000 (Unaudited)	31.12.2014 S\$'000 (Restated) <sup>(1)</sup>	1.1.2014 S\$'000 (Restated) <sup>(1)</sup>	31.12.2015 S\$'000 (Unaudited)	31.12.2014 S\$'000 (Restated) <sup>(1)</sup>	1.1.2014 S\$'000 (Restated) <sup>(1)</sup>
<b>Non-current liabilities:</b>						
Other payables and accruals	3,851	-	-	3,566	-	-
Obligations under finance leases	899	1,785	3,108	-	-	-
Loans and borrowings	10,709	7,688	-	-	-	-
Amount due to subsidiary	-	-	-	1,851	-	-
Deferred tax liabilities	1,987	2,058	2,227	-	-	-
Deferred income	432	903	1,375	-	-	-
	<b>17,878</b>	<b>12,434</b>	<b>6,710</b>	<b>5,417</b>	-	-
<b>Total liabilities</b>	<b>40,979</b>	<b>34,987</b>	<b>25,873</b>	<b>6,477</b>	<b>4,218</b>	<b>3,282</b>
<b>Net current assets/(liabilities)</b>	<b>8,543</b>	<b>2,390</b>	<b>1,344</b>	<b>201</b>	<b>(2,764)</b>	<b>(2,037)</b>
<b>Net assets</b>	<b>41,297</b>	<b>37,112</b>	<b>38,774</b>	<b>45,734</b>	<b>40,954</b>	<b>41,690</b>
<b>Equity attributable to owners of the Company</b>						
Share capital	37,834	34,163	34,163	37,834	34,163	34,163
Capital reserve	247	247	247	247	247	247
Retained profits	627	(13)	1,620	7,653	6,544	7,280
Translation reserve	(195)	(194)	(180)	-	-	-
	<b>38,513</b>	<b>34,203</b>	<b>35,850</b>	<b>45,734</b>	<b>40,954</b>	<b>41,690</b>
Non-controlling interests	2,784	2,909	2,924	-	-	-
<b>Total equity</b>	<b>41,297</b>	<b>37,112</b>	<b>38,774</b>	<b>45,734</b>	<b>40,954</b>	<b>41,690</b>
<b>Total equity and liabilities</b>	<b>82,276</b>	<b>72,099</b>	<b>64,647</b>	<b>52,211</b>	<b>45,172</b>	<b>44,972</b>

1(b)(ii) In relation to the aggregate amount of group's borrowings and debt securities, specify the following as at the end of current financial period reported on with comparative figures as at the end of the immediately preceding financial year:

(A) the amount repayable in one year or less, or on demand:

As at 31/12/2015 S\$'000 (Unaudited)		As at 31/12/2014 S\$'000 (Restated) <sup>(1)</sup>	
Secured	Unsecured	Secured	Unsecured
5,535	3,742	4,995	7,899

(B) the amount repayable after one year:

As at 31/12/2015 S\$'000 (Unaudited)		As at 31/12/2014 S\$'000 (Restated) <sup>(1)</sup>	
Secured	Unsecured	Secured	Unsecured
11,544	64	9,351	122

(C) whether the amounts are secured or unsecured; and

(D) details of any collaterals.

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

As at 31 December 2015 the Group's finance leases and bank term loans are secured as follows:

- 1) Finance leases amounting to S\$5.5 million (31 December 2014: S\$6.1 million) are secured by the Group's production equipment.
- 2) Bank term loan amounting to S\$11.5 million (31 December 2014: S\$8.3 million) are secured by the property, plant and equipment of subsidiaries.

As at 31 December 2015 the Group's finance leases and bank term loans are unsecured as follows:

- 1) A revolving credit facility of S\$3.7 million (31 December 2014: S\$3.8 million) is unsecured.
- 2) Finance lease liability of S\$0.1 million (31 December 2014: S\$0.2 million) is unsecured.
- 3) There are no other term loans for the financial year currently reported on (31 December 2014: S\$4.0 million, unsecured).

**1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Financial Year Ended 31 December 2015 S\$'000 (Unaudited)	Financial Year Ended 31 December 2014 S\$'000 (Restated) <sup>(1)</sup>
<b>Cash Flows from Operating Activities</b>		
Profit/(loss) before tax from continuing operations	257	(1,074)
(Loss)/profit before tax from discontinued operation	(2)	186
Profit/(loss) before tax, total	255	(888)
Adjustments for:		
Allowance for impairment of trade receivables	30	-
Depreciation of property, plant and equipment	3,955	3,254
Amortisation of intangible assets	870	850
Gain on disposal of property, plant and equipment	(156)	(343)
Amortisation of gain on sales & leaseback	(529)	(529)
Interest income	(1)	(1)
Interest expense	532	443
Net fair value gain on derivative financial instrument	-	(5)
Operating cash flows before working capital changes	4,956	2,781
(Increase)/decrease in		
- inventories	(62)	(5,091)
- trade receivables	1,359	(2,925)
- other receivables, deposits and prepayments	(743)	(311)
(Decrease)/increase in		
- trade payables	(1,219)	1,945
- other payables and accruals	257	(1,292)
Cash generated from/(used in) operations	4,548	(4,893)
Interest expense paid	(532)	(443)
Interest income received	1	1
Tax paid	(58)	-
Net cash generated from/(used in) operating activities	3,959	(5,335)

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

	<b>Financial Year Ended 31 December 2015 S\$'000 (Unaudited)</b>	<b>Financial Year Ended 31 December 2014 S\$'000 (Restated)<sup>(1)</sup></b>
<b>Cash Flows from Investing Activities</b>		
Net cash inflow on acquisition of a subsidiary	804	-
Purchase of property, plant and equipment	(1,008)	(1,653)
Proceeds from disposal of property, plant and equipment	359	1,172
Net cash generated from/(used in) investing activities	155	(481)
<b>Cash Flows from Financing Activities</b>		
Increase in pledged deposit	-	15
Dividends paid on ordinary shares	-	(929)
Obligations under finance leases	(3,092)	(2,455)
Bank borrowings obtained	247	8,003
Repayment of bank borrowings	(1,082)	(1,923)
Share issuance expenses	(1)	-
Net cash (used in)/generated from financing activities	(3,928)	2,711
Net increase/(decrease) in cash and bank balances	186	(3,105)
Currency translation differences	(1)	(14)
Cash and bank balances at beginning of year	2,990	6,110
Cash and bank balances at end of year	<u>3,176</u>	<u>2,990</u>

#### **Cash and bank balances at end of year**

Cash and bank balances		
- Continuing operations	3,139	2,950
- Discontinued operation	37	40
	<u>3,176</u>	<u>2,990</u>

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

**Statement of Changes in Equity for the period ended 31 December 2015**

<b>The Group (Unaudited)</b>	<----- Attributable to equity holders of the Company ----->						<b>Total</b>
	<b>Share capital</b>	<b>Capital reserve</b>	<b>Translation reserve</b>	<b>Retained profits</b>	<b>Total attributable to equity holders of the Company</b>	<b>Non-controlling interests</b>	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2014	34,163	247	(180)	2,957	37,187	2,871	40,058
Prior year adjustment	-	-	-	(1,337)	(1,337)	53	(1,284)
Balance as at 1 January 2014 (Restated) <sup>(1)</sup>	34,163	247	(180)	1,620	35,850	2,924	38,774
Net loss for the year	-	-	-	(704)	(704)	(15)	(719)
Currency translation differences	-	-	(14)	-	(14)	*	(14)
Total comprehensive expenses for the year	-	-	(14)	(704)	(718)	(15)	(733)
Dividends	-	-	-	(929)	(929)	-	(929)
Balance as at 31 December 2014 (Restated) <sup>(1)</sup>	34,163	247	(194)	(13)	34,203	2,909	37,112
Balance as at 1 January 2015	34,163	247	(194)	(13)	34,203	2,909	37,112
Net profit/(loss) for the year	-	-	-	640	640	(125)	515
Currency translation differences	-	-	(1)	-	(1)	*	(1)
Total comprehensive income/(expenses) for the year	-	-	(1)	640	639	(125)	514
Issue of new ordinary shares	3,672	-	-	-	3,672	-	3,672
Shares issuance expenses	(1)	-	-	-	(1)	-	(1)
<b>Balance as at 31 December 2015</b>	<b>37,834</b>	<b>247</b>	<b>(195)</b>	<b>627</b>	<b>38,513</b>	<b>2,784</b>	<b>41,297</b>

\* Represents amount less than \$1,000

<b>The Company (Unaudited)</b>	<b>Share capital</b>	<b>Capital reserve</b>	<b>Retained profits</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 January 2014	34,163	247	6,974	41,384
Prior year adjustment	-	-	306	306
Balance as at 1 January 2014 (Restated) <sup>(1)</sup>	34,163	247	7,280	41,690
Total comprehensive income for the year	-	-	193	193
Dividends	-	-	(929)	(929)
Balance as at 31 December 2014 (Restated) <sup>(1)</sup>	34,163	247	6,544	40,954
Balance as at 1 January 2015	34,163	247	6,544	40,954
Total comprehensive income for the year	-	-	1,109	1,109
Issue of new ordinary shares	3,672	-	-	3,672
Shares issuance expenses	(1)	-	-	(1)
<b>Balance as at 31 December 2015</b>	<b>37,834</b>	<b>247</b>	<b>7,653</b>	<b>45,734</b>

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

As at 31 December 2015, the Company had a total issued share capital of S\$37,833,962. The number of shares is 1,048,973,266 ordinary shares.

Share Capital	Number of Shares	S\$
Share capital as at 31 December 2014	928,973,266	34,162,962
Issuance of new ordinary shares pursuant to JEPI acquisition	120,000,000	*3,671,000
Share capital as at 31 December 2015	1,048,973,266	37,833,962

\* After deducting share issuance expenses of S\$1,000.

To fulfil the share consideration of 120,000,000 shares as part of the purchase consideration for the acquisition of the 100% equity interest in JEP Industrades Pte Ltd ("JEPI"), the Company had on 27 August 2015 issued 120,000,000 new ordinary shares to the vendors of JEPI. Please refer to the announcements dated 15 July 2015 and 27 August 2015 for further details.

The Company did not have any treasury shares or outstanding convertibles as at 31 December 2014 and 31 December 2015.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 December 2015 was 1,048,973,266 shares (31 December 2014: 928,973,266 shares).

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There were no shares held as treasury shares as at 31 December 2015 (31 December 2014: Nil).

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

The figures have not been audited nor reviewed by our auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as disclosed in paragraph 5, the accounting policies have been consistently applied by the Group and the Company and are consistent with the audited financial statements as at 31 December 2014.



**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

In the current year, the Group and the Company adopted the amended Financial Reporting Standards ("FRS") and the Interpretations to FRS ("INT FRS") that are mandatory for annual periods beginning on and after 1 January 2015. Changes to the Group's and the Company's accounting policies have been made as required in accordance with the transitional provisions in the respective FRS.

The adoption of these amended FRS and INT FRS did not result in substantial changes to the Group's and the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

**6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	31 December 2015 (Unaudited)	31 December 2014 (Restated) <sup>(1)</sup>
i) based on the weighted average number of ordinary shares in issue, and	0.066 cents	(0.076) cents
ii) on a fully diluted basis	0.066 cents	(0.076) cents
Weighted average number of ordinary shares in issue applicable to basic and diluted earnings per share	970,726,691	928,973,266

**Note:**

Basic earnings/(loss) per share is computed by dividing net profit for the year of S\$639,692 (2014: net loss of S\$703,337) by the weighted average number of 970,726,691 shares (2014: 928,973,266 shares) in issue during the year.

Diluted earnings/(loss) per share is computed by dividing net profit for the year of S\$639,692 (2014: net loss of S\$703,337) by the weighted average number of 970,726,691 shares (2014: 928,973,266 shares) in issue during the year. The basic and diluted earnings/(loss) per share are the same for FY2015 and FY2014 as the Company had no outstanding convertibles.

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**  
**(a) current financial period reported on; and**  
**(b) immediately preceding financial year.**

	The Group		The Company	
	31 December 2015 (Unaudited)	31 December 2014 (Restated) <sup>(1)</sup>	31 December 2015 (Unaudited)	31 December 2014 (Restated) <sup>(1)</sup>
Net assets value, net of non-controlling interests (S\$)	38,512,565	34,202,652	45,733,752	40,954,518
Net assets per ordinary share at end of financial year	3.7 cents	3.7 cents	4.4 cents	4.4 cents

**Note:**

Net assets per ordinary share as at 31 December 2015 (and as at 31 December 2014) were computed by dividing the net assets, net of non-controlling interests, of S\$38,512,565 for the Group and S\$45,733,752 for the Company (2014: S\$34,202,652 for the Group and S\$40,954,518 for the Company) by the number of shares in issue (excluding treasury shares) of 1,048,973,266 shares (2014: 928,973,266 shares) respectively.

**Note:**

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

8. **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**
  - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

#### **Performance Review**

*Note: all figures rounded to the nearest single decimal point.*

#### Continuing operations

Group revenue for FY2015 increased S\$9.0 million or 18.1% from S\$49.8 million to S\$58.8 million. The aerospace segment remains the Group's main contributor of revenue, generating S\$32.7 million in revenue in FY2015, constituting 55.6% of total Group revenue. The oil and gas segment contributed S\$9.8 million or 16.7% of total Group revenue. The other major contributor was the equipment manufacturing segment, which recorded S\$8.3 million or 14.1% of total Group revenue. The electronics and precision machining segments collectively contributed 2.8% of the total Group revenue. The business of the recently acquired subsidiary, JEP Industrades Pte Ltd ("JEPI"), has been categorised into the Trading and Others segment. It contributed S\$6.3 million or 10.8% of the total Group revenue. Excluding revenue contribution from JEPI, overall Group revenue has increased by S\$2.7 million or 5.4% when compared to FY2014.

Cost of sales increased by S\$6.7 million from S\$45.3 million in FY2014 to S\$52.0 million in FY2015. The increase was mainly due to an increase in procurement of non-consigned raw materials of S\$3.2 million arising in relation to landing gear parts in tandem with the increase in revenue in aerospace segment, factory overheads of S\$0.1 million and the inclusion of S\$4.9 million in cost of sales attributable to JEPI. The increase was partially offset by a reduction of S\$0.8 million in consumable tooling expenses and S\$0.2 million in subcontract works.

Gross profit margin increased from S\$4.5 million or 9.1% in FY2014 to S\$6.8 million or 11.5% in FY2015. The increase was mainly due to a significant improvement in gross profit margin from the equipment manufacturing segment in which the subsidiary, Dolphin Engineering Pte Ltd ("DEPL"), operates, from 13.2% in FY2014 to 21.1% in FY2015, and a positive contribution attributable to JEPI of 22.4%. The improvement in DEPL's gross profit margin was mainly due to lower material usage and the resulting savings in consumable non-cutting tools usage.

Compared with FY2014, other operating income for FY2015 remained relatively constant at S\$1.4 million.

Selling and distribution expenses for FY2015 increased by S\$0.1 million compared to FY2014 from S\$1.4 million to S\$1.5 million, with the inclusion of the related staff payroll expenses of S\$0.1 million from the recently acquired subsidiary, JEPI.

Administrative expenses increased by S\$0.7 million compared to FY2014 from S\$5.2 million to S\$5.9 million. The increase was mainly attributable to an increase in land rent of Seletar Aerospace Park of S\$0.3 million, factory rent of S\$0.2 million, legal and professional fees of S\$0.1 million, interest charges on trade financing of S\$0.1 million, directors' fee (non-executive) of S\$0.1 million, land rent on Changi factory of S\$0.1 million and depreciation of office equipment of S\$0.1 million. The increase in expenses was partly offset by a decrease in directors' remuneration (executive) of S\$0.1 million, and repair and maintenance of workshop of S\$0.1 million in FY2015.

Finance costs increased by S\$0.1 million from S\$0.4 million in FY2014 to S\$0.5 million in FY2015, mainly due to an increase in loan borrowings and the corresponding increase in the cost of finance.

Tax credit for FY2015 increased by S\$0.1 million compared to FY2014 from S\$0.2 million to S\$0.3 million. The increase in tax credit was due to a decrease in deferred tax liabilities movement of S\$0.1 million by JEPS and S\$0.1 million by JEPI. The increase in tax credit was offset by a higher deferred tax provision of S\$0.1 million by DEPL in FY2015.

An allowance for doubtful debts of S\$0.03 million was recognised by JEPI in FY2015. No allowance for obsolete inventories was recorded in both FY2015 and FY2014.

Amortisation of intangible assets remained relatively constant at S\$0.9 million in both FY2015 and FY2014.

Gain on the disposal of property, plant and equipment of S\$0.2 million in FY2015 was mainly attributable to the reclassification of assets disposal by the subsidiary, JEPS, during the year.

A foreign exchange gain of S\$0.1 million was recorded in FY2015 as compared to S\$0.2 million in FY2014. The reduction in foreign exchange gain was mainly due to the strengthening of the United States Dollars recorded as a realised loss by the subsidiary, JEPS, in FY2015.

Depreciation of property, plant and equipment was recorded at S\$4.0 million in FY2015 as compared with S\$3.3 million in FY2014. The increase was mainly due to additional machinery purchased by the subsidiary, JEPS, in FY2015.

As a result of the above, a net profit from continuing operations of S\$0.5 million was recorded in FY2015 as compared to a net loss of S\$0.9 million in FY2014.

#### Discontinued operation

On 5 August 2013, the Company announced the decision of its board of directors to dissolve and liquidate JEP Precision Engineering Co Ltd ("JEPT"), which is 99.99% owned by JEPS. The assets and liabilities of JEPT were classified as disposal group held-for-sale on the balance sheet, and the results from JEPT were presented separately on the statement of comprehensive income as "Discontinued operation". To facilitate a smooth dissolution and liquidation process, JEPT will be kept dormant for a period of approximately 2 to 3 years before the commencement of such dissolution and liquidation process. The liquidation process of JEPT commenced in February 2015.

JEPT recorded loss from discontinued operation of S\$2,000 for FY2015, as detailed below:

	Financial Year Ended 31 December 2015 S\$'000 (Unaudited)	Financial Year Ended 31 December 2014 S\$'000 (Audited)
<b>Discontinued operation</b>		
<b>Other items of income</b>		
Other operating income	7	376
<b>Other items of expense</b>		
Administrative expenses	(9)	(190)
<b>(Loss)/profit before tax</b>	<u>(2)</u>	<u>186</u>
Tax expense	-	-
<b>(Loss)/profit from discontinued operation, net of tax</b>	<u>(2)</u>	<u>186</u>

Other operating income of S\$0.376 million in FY2014 was mainly due to a gain on the disposal of freehold land and a factory building of S\$0.376 million, while other operating income of S\$7,000 in FY2015 was mainly due to write-backs of overprovision expenses and interest income.

Taking into account the loss from the discontinued operation, the Group recorded a net profit of S\$0.5 million in FY2015 as compared to a net loss of S\$0.7 million in FY2014.

### Balance Sheet

The Group's property, plant and equipment recorded S\$30.6 million in FY2015 as compared to S\$27.8 million in FY2014. The increase of S\$2.8 million was due to capital expenditure of S\$6.3 million, of which S\$3.0 million was for Seletar Aerospace Park ("SAP") assets under construction and S\$2.4 million for procurement of machines by JEPS, additional machinery of S\$0.3 million by JEPI, new 4-storey factory building of S\$0.4 million and machinery equipment of S\$0.04 million by DEPL, reclassification of assets disposal of S\$0.1 million; and a restoration cost provision of S\$0.3 million and with the addition of S\$0.3 million of machinery equipment resulting from the acquisition of JEPI. The increase was offset by depreciation charge of S\$4.0 million and disposal of machinery of S\$0.1 million during the financial year.

Goodwill on consolidation of S\$17.9 million arose from the acquisition of JEPS, JEPI and DEPL, of which S\$11.4 million is attributable to JEPS, S\$1.2 million (provisional amount) to JEPI and the remaining S\$5.3 million to DEPL.

Intangible assets increased by S\$0.4 million in relation to customer relationships arising from the acquisition of JEPI. The increase was offset by a decrease of S\$0.9 million due to amortisation costs incurred during FY2015.

Compared to FY2014, current assets increased by S\$6.7 million. Inventories increased by S\$3.3 million, mainly due to inclusion of the recently acquired subsidiary, JEPI, on the consumable cutting tools stock of S\$3.0 million in FY2015. Trade receivables increased by S\$2.5 million as compared with FY2014, with the inclusion of trade receivables of S\$4.6 million from JEPI and an increase of S\$0.2 million from DEPL, which was offset by a decrease of S\$2.3 million in the case of JEPS in FY2015. Other receivables increased by S\$0.5 million largely due to GST input tax receivables of S\$0.2 million in respect of each of the subsidiaries, JEPS and JEPI, in FY2015 as compared to FY2014. Deposit and prepaid operating expenses increased by S\$0.2 million mainly due to pre-shipment financing payments of S\$0.2 million to a raw material supplier. Cash and bank balances increased by S\$0.2 million in FY2015. The increase was due to additional cash arising from the recently acquired subsidiary, JEPI, of S\$1.3 million, and an increase in cash balance of S\$0.1 million in the case of the Company. The increase was offset by a decrease from the procurement of machinery of S\$0.9 million by the subsidiary, JEPS, and the net cash outflow of S\$0.3 million made in relation to the 4-storey building construction by the subsidiary, DEPL.

Current liabilities increased by S\$0.5 million as compared with FY2014. An increase in trade payables of S\$1.0 million was attributable to an inclusion of trade payables of JEPI of S\$2.4 million, which was offset by a decrease in the trade payables of S\$1.3 million by JEPS and of S\$0.1 million by DEPL respectively. Other payables and accruals increased by S\$3.1 million in FY2015 mainly due to payables to supplier of the SAP factory building construction of S\$2.9 million by JEPS, raw material purchase of S\$0.4 million, procurement of machinery of S\$0.1 million and tax payable provision of S\$0.3 million. The increase was partially offset by a decrease in suppliers payables of S\$0.1 million and the exclusion of repayment of an advance received from a major customer of S\$0.4 million by JEPS in FY2015 as compared to FY2014. Obligations under finance leases increased S\$0.2 million in FY2015 due to the procurement of machinery by JEPS. Loans and borrowings decreased by S\$3.9 million mainly due to the reclassification of the Company's money market loan of S\$4.0 million which was refinanced under the account of DEPL and a decrease in revolving credit facility of S\$0.4 million by JEPS. The decrease was offset by an increase in trust receipt financing of S\$0.2 million by JEPI and a bank loan of S\$0.3 million by DEPL.

Non-current liabilities recorded a net increase of S\$5.4 million in FY2015 compared to FY2014. It was mainly due to:

- 1) increase in other payables and accruals of S\$3.9 million which was due to fair value on additional earn-out payment of S\$3.6 million to vendors of JEPI and the provision of restoration cost of S\$0.3 million by JEPS;
- 2) decrease in obligations under a finance lease of S\$0.9 million in FY2015 as compared to FY2014, mainly due to repayment of finance leases of S\$0.8 million by JEPS and S\$0.1 million by DEPL;
- 3) increase in loan borrowings of S\$3.0 million, which was mainly due to the reclassification of the Company's money market loan of S\$4.0 million refinanced under the account of DEPL from a current liabilities loan to non-current liabilities loan, and offset by repayment of loan borrowings of S\$1.0 million by DEPL;
- 4) decrease in deferred income of S\$0.5 million which was due to the recognition in FY2015 of deferred income gain on sales and leaseback of S\$0.5 million by JEPS; and
- 5) decrease in deferred tax liabilities of S\$0.1 million was mainly due to a decrease in deferred tax liabilities movement of S\$0.3 million by JEPS. The decrease was offset by an increase in deferred tax provision of S\$0.1 million by JEPI and S\$0.1 million by DEPL respectively in FY2015.

Overall, total Group obligations under finance leases and borrowings as at 31 December 2015 decreased by S\$1.5 million to S\$20.9 million compared to S\$22.4 million as at 31 December 2014.

### **Cash Flow**

In FY2015, the Group generated a positive net cash flow of S\$0.2 million and recorded S\$3.2 million of cash and bank balances. Net cash flow generated during the year was attributed to operating activities of S\$4.0 million and investing activities of S\$0.2 million, and net cash flow used in financing activities of S\$3.9 million.

Net cash flow from operating activities recorded a cash inflow of S\$4.0 million in FY2015 as compared to a cash outflow of S\$5.3 million in FY2014. The improvement in cash inflow was mainly due to profit before tax of S\$0.3 million (FY2014: loss before tax of S\$0.9 million); and adjustments for non-cash items comprising depreciation of property, plant and equipment of S\$4.0 million (FY2014: S\$3.3 million). This was offset by a net

increase in working capital contributed by other receivables, deposits and prepayments of S\$0.7 million (FY2014: net increase of S\$0.3 million), and net decrease in trade receivables of S\$1.4 million (FY2014: net increase of S\$2.9 million) and trade payables of S\$1.2 million (FY2014: net decrease of S\$1.3 million).

Net cash generated from investing activities was S\$0.2 million in FY2015 as compared to net cash used of S\$0.5 million in FY2014, which was mainly due to the net cash inflow of S\$0.8 million on acquisition in FY2015 of subsidiary, JEPI. The increase in cash inflow was partly offset by a net cash outflow in purchase of machinery of S\$0.6 million in FY2015.

Net cash outflow used in financing activities was S\$3.9 million in FY2015 as compared to net cash inflow of S\$2.7 million generated in FY2014. The decrease in net cash flow of S\$6.6 million was mainly due to bank borrowings drawdown of S\$8.0 million in FY2014 as compared to S\$0.2 million in FY2015 and a higher repayment of finance leases of S\$0.6 million in FY2015. The cash outflow was offset by lower bank borrowings repayment of S\$0.8 million by JEPS and DEPL in FY2015, and exclusion of dividend paid on ordinary shares of S\$0.9 million in FY2014 as compared to FY2015.

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

Nil.

**10. 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.**

Aerospace segment is expected to continue as the key contributor to the Group's revenue as the global aerospace sector is expected to sustain its revenue and earnings growth in 2016, underlined by extended record-setting production levels arising from accelerated replacement cycle of obsolete aircrafts with next generation fuel efficient aircrafts as well as the continued increases in passenger travel demand.

Oil and gas segment remains sluggish as the recent oil price declines reflect concerns about the lower economic growth in emerging markets, expectations of higher oil exports and continuing expected growth in oil global inventory.

The Group's revenue and profitability was enhanced by trading business from the recently acquired subsidiary, JEPI.

The Group would continue to work towards improving its operational efficiency and productivity, enhancing its competitiveness and increasing its market share in global aerospace markets, while also seeking new growth businesses and other attractive opportunities.

**11. If a decision regarding dividend has been made:**

**(a) Whether an interim (final) ordinary dividend has been declared (recommended): and**

None

**(b) (i) Amount per share ..... cents**

None

**(ii) Previous corresponding period ..... cents**

None

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax 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.

**(d) The date the dividend is payable**

Not applicable.

**(e) The date on which Registrable Transfers received by the Company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.**

Not applicable

**12. If no dividend has been declared (recommended), a statement to that effect.**

No dividend has been declared or recommended for the financial year ended 31 December 2015.

**13. If the group has obtained a general mandate from the shareholders for 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 not obtained a general mandate from its shareholders for Interested Person Transactions.

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Synergys Pte Ltd <sup>1</sup> - installed a chemical line, a De-ionized water system, and a scrubber and exhaust system of JEP Precision Engineering Pte Ltd	S\$361,208	Nil

Note:

1. The director of Synergys Pte Ltd, Mr. Chan Wai Leong, is a Non-Executive and Non-Independent Director of the Company as well as the Chief Executive Officer of a substantial shareholder of the Company, Ellipsiz.

**14. Negative confirmation pursuant to Rule 705(5).**

Not required for announcement on full year results.

**15. 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 its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1).

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

16. **Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Group revenue & expenses as at 31 December 2015	Operating Segments						Eliminations	Total
	Aerospace	Oil & Gas	Electronics	Precision Machining	Trading & Others	Equipment Manufacturing		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Continuing operations</b>								
<b>Revenue:</b>								
External customers	32,710	9,753	1,479	161	6,356	8,319	-	58,778
Inter-reporting unit sales	106	-	-	174	2,353	695	(3,328)	-
<b>Total revenue</b>	<b>32,816</b>	<b>9,753</b>	<b>1,479</b>	<b>335</b>	<b>8,709</b>	<b>9,014</b>	<b>(3,328)</b>	<b>58,778</b>
Segment result	928	(876)	112	(17)	950	1,348		2,445
<b>Unallocated corporate expenses</b>								<b>(1,657)</b>
Profit from continuing operations								788
Financial income								1
Finance costs								(532)
<b>Profit before tax from continuing operations</b>								<b>257</b>
Tax credit								260
<b>Net profit for the year after tax from continuing operations</b>								<b>517</b>
<b>Discontinued operation</b>								
Loss from discontinued operation, net of tax								(2)
<b>Net profit for the year, net of tax</b>								<b>515</b>



Group revenue & expenses as at 31 December 2014	Operating Segments							Eliminations	Total (Restated) <sup>(1)</sup> S\$'000
	Aerospace	Oil & Gas	Electronics	Precision Machining	Trading & Others	Equipment Manufacturing			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
<b>Continuing operations</b>									
<b>Revenue:</b>									
External customers	28,770	11,356	1,656	178	83	7,734	-	-	49,777
Inter-reporting unit sales	-	-	2	16	1,961	670	(2,649)	-	-
<b>Total revenue</b>	<b>28,770</b>	<b>11,356</b>	<b>1,658</b>	<b>194</b>	<b>2,044</b>	<b>8,404</b>	<b>(2,649)</b>	<b>-</b>	<b>49,777</b>
Segment result	920	(418)	198	25	159	197	-	-	1,081
<b>Unallocated corporate expenses</b>									(1,713)
Loss from continuing operations									(632)
Financial income									1
Finance costs									(443)
<b>Loss before tax from continuing operations</b>									(1,074)
Tax credit									169
<b>Net loss after for the year after tax from continuing operations</b>									(905)
<b>Discontinued operation</b>									
Profit from discontinued operation, net of tax									186
<b>Net loss for the year, net of tax</b>									(719)

### Continuing operations

Region	Revenue		Assets		Capital Expenditure	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Singapore	27,315	29,068	82,239	72,057	6,301	7,188
People's Republic of China	17,754	8,924	-	-	-	-
Malaysia	8,861	8,288	-	-	-	-
USA	2,840	2,477	-	-	-	-
Others*	2,008	1,020	37	42	-	-
<b>Total</b>	<b>58,778</b>	<b>49,777</b>	<b>82,276</b>	<b>72,099</b>	<b>6,301</b>	<b>7,188</b>

\* Others include countries such as Canada, Switzerland, France, Norway, Middle East countries and Southeast Asia.

Note:

1. Restated pursuant to the deferred tax liability movement arising from Prior Year Adjustment in FY2014.

**17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.**

Except for the inclusion to the Trading and Others segment due to acquisition of the subsidiary, JEPI, there are no other factors which led to material changes in contribution to turnover and earnings as compared to FY2014. For a detailed review of performance, please refer to section 8.

**18. A breakdown of sales as follows:**

	FY2015 S\$'000 Group	FY2014 S\$'000 Group	% increase/ (decrease) Group
<b>Continuing operations</b>			
a) Sales reported for first half year	28,469	20,356	39.9
b) Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year	589	(1,242)	N.M.
c) Sales reported for the second half year	30,309	29,421	3.0
d) Operating loss after tax before deducting non-controlling interests reported for second half year	(74)	(97)	(23.7)

N.M. = not meaningful

**19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:**

- (a) Ordinary
- (b) Preference
- (c) Total

Share	Total Annual Dividend	
	Latest Full Year (Recommended) S\$'000	Previous Full Year S\$'000
Ordinary		
- Interim	-	-
- Final (Recommended)	-	-
Preference	-	-
Total	-	-

No dividend has been declared or recommended for the financial year ended 31 December 2015.

20. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a 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 are no such persons, the issuer must make an appropriate negative statement.**

<b>Name</b>	<b>Age</b>	<b>Family relationship with any director and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
Lau Adelene	29	Eldest daughter of Mr. Joe Lau, the Executive Chairman and Chief Executive Officer and Substantial Shareholder of the Company.	Ms. Lau joined JEPS in 11 July 2012, as a management trainee. She was promoted to assistant manager of JEPS with effect from 1 January 2013. She was promoted to Business Development manager with effect from 1 January 2014. She obtained her Bachelor of Communication from the University Canberra in 2007 and her Master of Communications, Advertising from the RMIT University, Australia in 2009.	As an assistant manager, Ms. Lau assisted in overseeing the administration and management functions of JEPS. As a Business Development manager, she is responsible for the business development and sales functions of JEPS. There was no change in position and duties during FY2015.
Patrick Lau Fook Kong	51	Younger brother of Mr. Joe Lau, the Executive Chairman and Chief Executive Officer and Substantial Shareholder of the Company.	Mr. Lau joined DEPL in 24 September 2014, as a Manufacturer Representative, Distribution Services. He obtained his Diploma in Sales and Marketing from the Chartered Management Institute in 1988 and Executive Program (Logistics and Distribution Management, Economics, Human Resources Management and Transport Operations) from the Centre for Instructional Technology, National University of Singapore in 1996.	As a Manufacturer Representative, he is responsible for the distribution and marketing management functions of DEPL. There was no change in position and duties during FY2015.
Lee Pui Rong	55	Spouse of Mr. Zee Hoong Huay, the Executive Director and Controlling Shareholder of the Company.	Ms. Lee is the Human Resource executive of JEPI. She was appointed as director of JEPI on 8 January 2003, and resigned as director pursuant to terms of the	As a Human Resource executive, she is responsible for the administrative and human resource functions of JEPI. There was no

			<p>sale and purchase agreement entered into between the Company and all shareholders of JEPI on 15 July 2015 in connection with the acquisition by the Company of the entire issued and paid-up share capital of JEPI.</p> <p>She graduated from the Singapore Nanyang Girls School in 1976.</p>	<p>change in position and duties during FY2015.</p>
Darren Zee Yu Liang	28	<p>Eldest son of Mr. Zee Hoong Huay, the Executive Director and Controlling Shareholder of the Company.</p>	<p>Mr. Zee joined JEPI in 1 July 2011, as a management trainee.</p> <p>He was promoted to Sale and Marketing manager with effect from 1 January 2013.</p> <p>He was appointed as director of JEPI on 22 July 2010, and resigned as director pursuant to terms of the sale and purchase agreement entered into between the Company and all shareholders of JEPI on 15 July 2015 in connection with the acquisition by the Company of the entire issued and paid-up share capital of JEPI.</p> <p>He obtained his Diploma in Mechatronics from Temasek Polytechnic in 2009 and Diploma in Sales &amp; Marketing Management from Marketing Institute of Singapore in 2012.</p>	<p>As a Sales and Marketing manager, he is responsible for the sales, marketing and operation functions of JEPI.</p> <p>There was no change in position and duties during FY2015.</p>

#### BY ORDER OF THE BOARD

Joe Lau  
Executive Chairman and Chief Executive Officer  
29 February 2016

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

*The contact person for the Sponsor is Mr. Ng Joo Khin.  
Telephone number: 6389 3000 Email: [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com)*