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MEDIA RELEASE

JEP in the midst of transition; reports strong revenue growth but small net loss in FY2016

Y/E 31 Dec (S$ million)	**FY2016**	FY2015	*Change %*
Revenue	**71.9**	58.8	22.4
Cost of sales	**(64.2)**	(52.0)	23.4
Gross Profit	**7.7**	6.8	14.5
Other operating income	**1.5**	1.4	6.2
Selling and distribution expenses	**(2.2)**	(1.5)	52.8
Administrative expenses	**(7.2)**	(5.9)	21.1
Finance costs	**(1.0)**	(0.5)	85.0
Tax credit	**1.0**	0.3	274.0
Net Profit / (Loss)	**(0.2)**	0.5	N.M.
Basic EPS* (cents)	**0.015**	0.054	
NAV per share**(cents)	**3.2**	3.7	

* Based on average weighted number of 1,057,845,257 shares (FY2015: 1,057,845,257 shares)

** Based on number of issued 1,453,757,871 ordinary shares (excluding treasury shares) as at 31 December 2016 (1,048,973,266 ordinary shares (excluding treasury shares) as at 31 December 2015).

N.M. = not meaningful

28 February 2017 – JEP Holdings Ltd., ("JEP", and together with its subsidiaries, the "Group"), a leading provider of precision machining and engineering solutions, reported a 22.4% increase in Group revenue for the year ended 31 December 2016 ("FY2016") compared to one year prior. However, the Group reported a net loss of $0.2 million for FY2016, weighed down by expenses incurred particularly during the first half of the year. The Group is in the midst of shifting to new manufacturing premises this year, which is expected to bring about cost savings, increased productivity, and headroom for future growth.

"The oil and gas segment weighed heavily on our financial performance in FY2016, but we are looking forward to a better year ahead as we look to our other segments to fill up the excess capacity left behind by the fall-off in oil and gas orders.

Although we incurred a small loss at the end of the year, our balance sheet is healthy, and the Board is pleased to recommend a dividend of 0.03 cents for our shareholders."

- **Mr. Joe Lau, Executive Chairman and CEO, JEP Holdings Ltd.**

Financial Performance

The aerospace segment continued to register year-on-year growth, contributing $37.6 million of FY2016 Group revenue, compared to $32.8 million in FY2015. The oil & gas segment, hampered by the prolonged slump in offshore drilling activity, contributed just $3.4 million, compared to $9.8 million in FY2015.

The Group's Trading & Others segment registered a significant increase in revenue, from $6.3 million in FY2015 to $18.5 million in FY2016, mainly due to a full year of contributions from the subsidiary JEP Industrades Pte Ltd ("JEPI"), which was acquired in August 2015. Accordingly, the Group saw an increase in cost of sales and selling and distribution expenses, attributable to the trading business and staff payroll of JEPI respectively.

Administrative expenses increased by $1.2 million, mainly due to translation-related foreign exchange losses, and higher director's remuneration following the addition of one new director as part of the JEPI acquisition. There was a higher tax credit of $1.0 million in FY2016, mainly due to the excess of net book value over tax value relating to the Group's machinery.

Financial Position

The Group's property, plant and equipment increased by $20.3 million compared to the end of FY2015, mainly due to the new plant at Seletar Aerospace Park. Correspondingly, total loans and borrowings increased from $15.3 million as at 31 December 2015 to $35.8 million as at 31 December 2016, mainly due to a 10-year term loan to finance 80% of the $25 million construction costs.

Outlook

The Group's new facility at Seletar Aerospace Park was completed in November 2016, and equipment and operations are gradually being shifted over, and the move is expected to be fully completed by the third quarter of 2017.

"Aerospace will be our main revenue driver for the foreseeable future, underpinned by demand from both consumers and carriers in Asia and the Middle East. We are currently receiving promising levels of enquiries from existing and potential customers, and our business development efforts will be aided by the completion of our new facilities, as it is a showcase of our technology and capabilities.

In the design of the new premises, we are also taking great care to streamline our production processes, building on the productivity and cost saving measures implemented in FY2016. This will allow us to become even more cost-effective and efficient.

- **Mr. Joe Lau, Executive Chairman and CEO, JEP Holdings Ltd.**

About JEP Holdings Ltd.

JEP Holdings Ltd. is a leading solution provider of precision machining and engineering services, with a primary focus on the aerospace industry. With over 30 years of operating history, we have built up a strong value chain to provide seamless manufacturing solutions to our clients. All of our operations are supported by an experienced and passionate workforce, strong networks of established customers and suppliers, and stringent quality systems.

The Group's main operating subsidiary, JEP Precision Engineering Pte Ltd ("JEPS"), was acquired by the Group in 2007. Accredited with AS9100, OSHAS, and NADCAP, JEPS has built a track record as a reliable sub-contractor for aerospace components since beginning operations in 1990, and is now part of the global supply chain for the world's leading aircraft manufacturers.

The Group is headquartered in Singapore, and operates out of four facilities equipped with state of art machinery for manufacturing and the provision of secondary processes related to engineering services. The Group also owns a large format precision engineering company, Dolphin Engineering Pte Ltd, and a trading business, JEP Industrades Pte Ltd, which markets cutting tools used in manufacturing activities for various industries such as aerospace, mould and die, and oil and gas.

The Group has been listed on SGX Catalist since 2004, when it was known as Alantac Technology Ltd., and changed its name in May 2010.

For more information, please visit http://www.jep-holdings.com.

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