



(Incorporated in the Republic of Singapore on 12 March 1994)
(Company Registration Number: 199401749E)

UPDATE TO THE JOINT VENTURE BETWEEN JEP CHINA HOLDINGS PTE. LTD. AND 昆山航孚投资有限公司 (KUN SHAN HANG FU INVESTMENT CO., LTD)

1. INTRODUCTION

The Board of Directors of JEP Holdings Ltd. (the “**Company**”) refers to the announcement dated 19 September 2017 relating to the entry into a joint venture agreement (the “**Joint Venture Agreement**”) between JEP China Holdings Pte. Ltd. (“**JCHPL**”) and 昆山航孚投资有限公司 (Kun Shan Hang Fu Investment Co., Ltd) (“**KSHF**”).

2. UPDATE TO THE SINO-FOREIGN JOINT VENTURE COMPANY

2.1 Pursuant to the terms of the Joint Venture Agreement, *inter alia*:

2.1.1 江苏捷孚航空精密科技有限公司 (the “**JV Company**”) has been incorporated in the People’s Republic of China (“**PRC**”) with a registered capital of Renminbi (CNY) 300,000,000; and

2.1.2 each of JCHPL and KSHF shall initially subscribe for and contribute CNY 15,000,000*.

*(approximately S\$3.07 million based on the exchange rate of CNY 1 to S\$0.20 as at the date of this announcement)

2.2 The Company wishes to update that at the point of incorporation of the JV Company, the joint venture parties agreed to vary the Joint Venture Agreement and increase the registered capital of the JV Company to CNY 300,000,000 instead of the previously announced amount of CNY 30,000,000 on 19 September 2017. The rationale for this increase is that since September 2017, when the first announcement was made, the joint venture parties have re-evaluated the Chinese aerospace industry and were of the view that an increased registered capital was in line with the growing business opportunities in the PRC in respect of providing precision machining and engineering services to the aerospace industry there.

2.3 The aforesaid initial capital contribution by JCHPL of CNY 15,000,000 (the “**JCHPL Capital Contribution**”) shall in the majority be furnished in kind** and the balance in cash from the internal resources of the Company and its subsidiaries (the “**Group**”).

**by way of transfer of existing machinery belonging to the Company or its subsidiary to the JV Company

2.4 The relevant shareholding proportions of JCHPL and KSHF in the JV Company (the “**Shareholding Proportions**”) shall be as follows:

Name of Party	Shareholding Proportions
JCHPL	50.0%
KSHF	50.0%
Total	100.0%

- 2.5 The principal business of the JV Company is to be a solution provider of precision machining and engineering services, with a primary focus on the aerospace industry, which is in line with the existing core business of the Group. As the JV Company is a newly incorporated company and has not commenced any business, its book value and net tangible asset value is negligible, and there is no latest available open market value.

3. FINANCIAL EFFECTS

The JCHPL Capital Contribution is not expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ending 31 December 2018.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the above actions by the Group, save through their shareholding interests in the Company.

By Order of the Board

Joe Lau
Executive Chairman and
Chief Executive Officer

For and on behalf of
Board of Directors of
JEP Holdings Ltd.

Date: 24 January 2018

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**") Listing Manual Section B: Rules of Catalyst. 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.

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