



JEP HOLDINGS LTD.

(Formerly known as Alantac Technology Ltd.)

(the “Company”)

(Registration No. 199401749E)

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

Unaudited Full Year Financial Statement and Dividend Announcement for the Year Ended 31 December 2017

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.**

	Full Year Ended 31 December 2017 S\$'000 (Unaudited)	Full Year Ended 31 December 2016 S\$'000 (Audited)	Incr/ (Decr) %
Continuing operations			
Revenue	86,093	71,934	19.7%
Cost of sales	(76,160)	(64,199)	18.6%
Gross profit	<u>9,933</u>	<u>7,735</u>	28.4%
Other items of income			
Other operating income	2,134	1,771	20.5%
Other items of expense			
Selling and distribution expenses	(2,244)	(2,234)	N.M.
Administrative expenses	(8,653)	(7,445)	16.2%
Finance costs	(1,427)	(984)	45.0%
(Loss) before tax from continuing operation	<u>(257)</u>	<u>(1,157)</u>	N.M.
Tax credit	440	972	-54.7%
Profit/(loss) after tax from continuing operations for the year	<u>183</u>	<u>(185)</u>	N.M.
Discontinued operation			
(Loss) from discontinued operation after tax	-	-	N.M.
Profit/(loss) for the year, net of tax	<u>183</u>	<u>(185)</u>	N.M.
Other comprehensive income/(expense), net of tax:			
subsequently to profit or loss			
Currency translation differences	*	1	N.M.
Total comprehensive income/(expense) for the year	<u>183</u>	<u>(184)</u>	N.M.

N.M. = not meaningful

* Represents amount less than \$1,000

	Full Year Ended 31 December 2017 S\$'000 (Unaudited)	Full Year Ended 31 December 2016 S\$'000 (Audited)	Incr/ (Decr) %
Profit/(loss) for the year, attributable to:			
Equity owners of the Company	825	154	435.7%
Non-controlling interest	(642)	(339)	89.4%
	183	(185)	N.M.
Total comprehensive income/(expense) for the year attributable to:			
Equity owners of the Company	825	155	432.3%
Non-controlling interests	(642)	(339)	89.4%
	183	(184)	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:

The Group	Ended 31 December 2017 S\$'000 (Unaudited)	Full Year Ended 31 December 2016 S\$'000 (Audited)	Incr/ (Decr) %
Allowance for doubtful debts	9	21	-57.1%
Amortisation of intangible assets	761	973	-21.8%
Amortisation of gain on sales & leaseback	(496)	(529)	-6.2%
Depreciation of property, plant and equipment	5,518	3,700	49.1%
Foreign exchange (Gain)/loss	(135)	643	-121.0%
Gain on disposal of property, plant and equipment	(274)	(175)	56.6%
Interest expense	1,427	984	45.0%
Inventory Written off	-	344	-100.0%

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

	The Group		The Company	
	As at 31 December 2017 S\$'000 (Unaudited)	As at 31 December 2016 S\$'000 (Audited)	As at 31 December 2017 S\$'000 (Unaudited)	As at 31 December 2016 S\$'000 (Audited)
Non-current assets				
Property, plant and equipment	54,056	50,857	22	-
Investment in subsidiaries	-	-	50,637	50,637
Goodwill on consolidation	17,542	17,542	-	-
Intangible assets	450	1,211	-	-
Amount due from subsidiary	-	-	5,000	5,000
Membership	48	-	48	-
Other Receivable	649	-	-	-
Deferred tax assets	160	357	160	357
	72,905	69,967	55,867	55,994
Current assets				
Inventories	13,775	14,037	-	-
Trade receivables	20,618	17,624	-	-
Other receivables	3,634	3,536	19	12
Amount due from subsidiaries	-	-	1,700	1,663
Cash and bank balances	6,196	7,990	2,046	3,001
	44,223	43,187	3,765	4,676
Assets of disposal group classified as held for sale	38	38	-	-
	44,261	43,225	3,765	4,676
Total assets	117,166	113,192	59,632	60,670
Equity				
Share capital	45,218	45,186	45,218	45,186
Warrants reserve	618	623	618	623
Capital reserve	252	247	252	247
Retained profits	1,351	962	10,254	8,575
Translation reserve	(194)	(194)	-	-
Equity attributable to owners of the Company	47,245	46,824	56,342	54,631
Non-controlling interests	1,600	2,242	-	-
Total equity	48,845	49,066	56,342	54,631
Non-current liabilities				
Contingent consideration and provision	-	1,791	-	1,791
Obligations under finance leases	5,706	1,148	-	-
Loans and borrowings	27,498	23,849	-	-
Amount due to a subsidiary	-	-	-	950
Deferred tax liabilities	478	1,112	-	-
	33,682	27,900	-	2,741
Current liabilities				
Trade payables	10,707	8,298	-	-
Other payables and accruals	5,759	12,832	284	392
Amount due to a subsidiaries	-	-	1,006	901
Obligations under finance leases	1,850	803	-	-
Loans and borrowings	14,323	11,996	-	-
Contingent consideration and provision	2,000	2,297	2,000	2,005
	34,639	36,226	3,290	3,298
Total liabilities	68,321	64,126	3,290	6,039
Total equity and liabilities	117,166	113,192	59,632	60,670

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 31/12/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
16,173	-	12,735	64

(B) the amount repayable after one year:

As at 31/12/2017 S\$'000		As at 31/12/2016 S\$'000	
Secured	Unsecured	Secured	Unsecured
33,204	-	24,997	-

(C) details of any collaterals.

As at 31 December 2017 the Group's finance leases and bank term loans are secured as follows:

- 1) Finance leases amounting to S\$7.6 million (31 December 2016: S\$2.0 million) are secured by the Group's production equipment.
- 2) Bank term loan amounting to S\$41.8 million (31 December 2016: S\$35.8 million) are secured by the property, plant and equipment of subsidiaries.

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 2017 S\$'000	Financial Year Ended 31 December 2016 S\$'000
Cash Flows from Operating Activities		
(Loss) before tax from continuing operations	(257)	(1,157)
(Loss) before tax, total	(257)	(1,157)
Adjustments for:		
Allowance for impairment of trade receivables	9	21
Depreciation of property, plant and equipment	5,518	3,700
Amortisation of intangible assets	761	973
Gain on disposal of property, plant and equipment	(274)	(175)
Amortisation of gain on sales & leaseback	(496)	(529)
Property, plant and equipment written off	44	9
Inventory written off	-	344
(Reversal of) provision for inventory obsolescence	(35)	450
Interest income	(7)	(1)
Interest expense	1,427	984
	6,690	4,619
Change in working capital:		
Inventories	297	(1,372)
Trade and other receivables	(2,836)	(4,902)
Trade and other payables	2,686	2,476
Cash generated from operations	6,837	821
Interest income received	7	1
Interest expense paid	(1,215)	(745)
Tax paid	(31)	(303)
Net cash generated from/(used in) operations	5,598	(226)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(9,947)	(18,957)
Proceeds from disposal of property, plant and equipment	415	216
Payment of contingent consideration	(2,000)	-
Purchase of club membership	(48)	-
Net cash used in investing activities	(11,580)	(18,741)
Cash Flows from Financing Activities		
Proceeds from issue of share capital	32	7,473
Proceeds from issue of warrants	-	623
Dividends paid to owners of the Company	(436)	-
Obligations under finance leases	(1,263)	(4,856)
Bank borrowings obtained	14,839	25,521
Repayment of bank borrowings	(8,863)	(4,943)
Share issuance expenses	(121)	-
Net cash generated from financing activities	4,188	23,818
Net (decrease)/increase in cash and bank balances	(1,794)	4,851
Currency translation differences	*	1
Cash and bank balances at beginning of year	8,028	3,176
Cash and bank balances at end of year	6,234	8,028

	Financial Year Ended 31 December 2017 S\$'000	Financial Year Ended 31 December 2016 S\$'000
Cash and bank balances at end of year		
Cash and bank balances		
- Continuing operations	6,196	7,990
- Discontinued operation	38	38
	6,234	8,028

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.

The Group	Share capital S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Translation reserve S\$'000	Retained profits S\$'000	Total attributable to equity holders of the Company S\$'000	Non- controlling interests S\$'000	Total equity S\$'000
Balance as at 1 January 2016	37,834	-	247	(195)	808	38,694	2,581	41,275
Net profit/(loss) for the year	-	-	-	-	154	154	(339)	(185)
Currency translation differences	-	-	-	1	-	1	*	1
Total comprehensive income /(expenses) for the year	-	-	-	1	154	155	(339)	(184)
Issue of new ordinary shares	7,473	-	-	-	-	7,473	-	7,473
Issue of warrants	-	623	-	-	-	623	-	623
Shares issuance expenses	(121)	-	-	-	-	(121)	-	(121)
Balance as at 31 December 2016	45,186	623	247	(194)	962	46,824	2,242	49,066
Balance as at 1 January 2017	45,186	623	247	(194)	962	46,824	2,242	49,066
Net profit/(loss) for the year	-	-	-	-	825	825	(642)	183
Currency translation differences	-	-	-	*	-	*	-	*
Total comprehensive income /(expenses) for the year	-	-	-	-	825	825	(642)	183
Dividend Declared and Paid	-	-	-	-	(436)	(436)	-	(436)
Issue of new ordinary shares	32	(5)	5	-	-	32	-	32
Balance as at 31 December 2017	45,218	618	252	(194)	1,351	47,245	1,600	48,845

* Represents amount less than \$1,000

The Company	Share capital S\$'000	Warrants reserve S\$'000	Capital reserve S\$'000	Retained profits S\$'000	Total equity S\$'000
Balance as at 1 January 2016	37,834	-	247	7,653	45,734
Total comprehensive income for the year	-	-	-	922	922
Issue of new ordinary shares	7,473	-	-	-	7,473
Issue of warrants	-	623	-	-	623
Shares issuance expenses	(121)	-	-	-	(121)
Balance as at 31 December 2016	45,186	623	247	8,575	54,631
Balance as at 1 January 2017	45,186	623	247	8,575	54,631
Total comprehensive income for the year	-	-	-	2,115	2,115
Dividend Declared and Paid	-	-	-	(436)	(436)
Issue of new ordinary shares	32	(5)	5	-	32
Balance as at 31 December 2017	45,218	618	252	10,254	56,342

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.

Subsequent to 31 December 2016, 1,600,600 warrants were exercised at S\$0.02 each pursuant to the Rights cum Warrants Issue. As at 31 December 2017, there were outstanding warrants of 200,791,699 (31 December 2016: 202,392,299).

The Company did not have any treasury shares as at 31 December 2016 and 31 December 2017.

Share Capital	Number of Shares	S\$
Share capital as at 31 December 2016	1,453,757,871	45,185,670
Issuance of new ordinary shares pursuant to Rights cum Warrants Issue	1,600,600	32,012
Share capital as at 31 December 2017	1,455,358,471	45,217,682
Warrants	Number of Warrants	S\$
Warrants as at 31 December 2016	202,392,299	622,746
Issuance of Warrants pursuant to Rights cum Warrants Issue	(1,600,600)	(4,925)
Exercised during the year	-	-
Warrants as at 31 December 2017	200,791,699	617,821

As at 31 December 2017, the maximum number of ordinary shares that may be issued upon full conversion of all free-detachable warrants of the Company is 200,791,699 ordinary shares (31 December 2016: 202,392,299).

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 2017 was 1,455,358,471 shares (31 December 2016: 1,453,757,871 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 sales, transfers, disposal, cancellation and/or use of treasury shares as at 31 December 2017 and 31 December 2016.

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 Note 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial year as those applied in the Group's most recently audited financial statements for the year ended 31 December 2016.

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 2017. 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 any substantial impact on the financial statements of the Group.

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 2017 (Unaudited)	31 December 2016
i) based on the weighted average number of ordinary shares in issue, and	0.057 cents	0.015 cents
ii) on a fully diluted basis	0.050 cents	0.015 cents
Weighted average number of ordinary shares in issue:		
- Basic	1,454,382,653	1,057,845,257
- Diluted	1,656,150,170	1,062,281,253

Note:

Basic earnings per share is computed by dividing net profit for the year of S\$824,846 (2016: net profit of S\$154,344) by the weighted average number of 1,454,382,653 shares (2016:1,057,845,257 shares) in issue during the year.

Diluted earnings per share is computed by dividing net profit for the year of S\$824,846 (2016: net profit of S\$154,344) by the weighted average number of 1,656,150,170 shares (2016:1,062,281,253) in issue during the year.

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 2017	31 December 2016	31 December 2017	31 December 2016
Net assets value, net of non-controlling interests (S\$)	47,244,659	46,823,677	56,342,003	54,630,492
Net assets per ordinary share at end of financial year	3.2 cents	3.2 cents	3.9 cents	3.8 cents

Note:

Net assets per ordinary share based on number of issued 1,455,358,471 ordinary shares (excluding treasury shares) as at 31 December 2017 (1,453,757,871 ordinary shares (excluding treasury shares) as at 31 December 2016).

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**

Group Performance

Note: all figures rounded to the nearest single decimal point. Any discrepancies between the listed amounts and the totals thereof are due to rounding.

Revenue and cost of sales

The breakdown of the Group's revenue for the year under review is as follows:

	Full year ended 31 December	
	2017	2016
	S\$'000	S\$'000
Aerospace	42,208	37,589
Oil & Gas	568	3,380
Electronics	5,602	2,940
Precision Machining	243	8
Trading & Others	19,980	18,488
Equipment Manufacturing	17,492	9,529
Total Revenue	<u>86,093</u>	<u>71,934</u>

For the full year to 31 December 2017, total revenue increase by 19.7% to S\$86.1 million (2016: S\$71.9 million). The increase was mainly contributed by an increase in revenue from Equipment Manufacturing of S\$8.0 million, Aerospace of S\$4.6 mil, and Electronics and Trading & Others of S\$4.2million collectively. This was partially offset by a decrease in revenue from Oil & Gas segment of S\$2.8 million, from S2.4 million in FY2016 dropped to S\$0.6 million in FY2017.

Cost of sales increased by 18.6% or S\$12.0 million, from S\$64.2 million in FY2016 to S\$76.2 million in FY2017. The increase in cost of sales is in line with the increase in revenue from Aerospace, Electronics, and Equipment Manufacturing.

Our gross profit increased by 28.4%, or S\$2.2 million, from S\$7.7 million in FY2016 to S\$9.9 million in FY2017. This was primarily due to higher gross profit generated from the

Equipment Manufacturing segment of S\$4.7 million (2016: S\$1.6 million), which were partially offset by additional depreciation of S\$1.0 million incurred on the new factory in Seletar Aerospace Park in FY2017 (2016: Nil).

Other operating income

Compared with FY2016, other operating income increased by S\$0.3 million from S\$1.8 million in FY2016 to S\$2.1 million in FY2017. This was primarily due to favourable foreign exchange movements of S\$0.1 million, government grants obtained on OEE project of S\$0.1 million and higher disposal gain on machinery of S\$0.1 million in FY2017.

Selling and distribution expenses

Selling expenses mainly comprise staff costs of our sales and marketing staff, traveling and marketing expenses and other related expenses. Compared with FY2016, selling and distribution expenses for FY2017 remained relatively constant at S\$2.2 million.

Administrative expenses

Administrative expenses mainly comprise staff costs, Directors' fees, depreciation charge in relation to non-production assets, amortisation of intangible assets, professional fees, rental expenses, exchange gain or loss and other expenses such as office, telecommunications and travelling expenses.

Administrative expenses increased by S\$1.3 million, from S\$7.4 million in FY2016 to S\$8.7 million in FY2017. The increase was mainly due to S\$ 0.8 million relocation costs incurred and S\$0.7 million was in relation to the rental expenses paid for the old factory premises for the remaining period of lease.

Finance costs

Finance costs increased by S\$0.4 million from S\$1.0 million in FY2016 to S\$1.4 million in FY2017, mainly due to an increase in loan borrowings and the corresponding increase in the cost of finance.

Tax credit

The Group recorded total income tax credit of S\$0.4 million in FY2017 mainly due to the reduction of deferred tax liabilities arising from the excess of net book value over tax written down value of property plant and equipment.

(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

Property, plant and equipment increased by S\$3.2 million, from S\$50.9 million as at 31 December 2016 to S\$54.1 million as at 31 December 2017. This increase was mainly due to procurement of machines during the year.

Intangible assets decreased by S\$0.7 million from S\$1.2 million as at 31 December 2016 to S\$0.5 million as at 31 December 2017. The decrease was due mainly to amortisation costs incurred during the year.

Non-current other receivables comprise government grants to be received in relation to Productivity and Value Enhancement Scheme (PAVES) and Technology Innovation under Capability Development Grant (CDG).

Trade and other receivables

Trade and other receivables increased by S\$3.1 million, from S\$21.2 million as at 31 December 2016 to S\$24.3 million as at 31 December 2017. This increase was in line with the increase in revenue in FY2017.

Trade and other payables

Trade and other payables decreased by S\$4.6 million, from S\$21.1 million as at 31 December 2016 to S\$16.5 million as at 31 December 2017. The reduction was mainly due to fluctuations arising from timing of payments made to creditors.

Obligation under finance lease

The Group's total obligation under finance lease increased by S\$5.6 million, from S\$2.0 million as at 31 December 2016 to S\$7.6 million as at 31 December 2017. This was due to procurement of machines under finance lease during the year of S\$6.4 million, and partially offset by the repayment of lease obligations of S\$0.8 million.

Loan and borrowings

The Group's total loans and borrowings had increased by S\$6.0 million, from S\$35.8 million as at 31 December 2016 to S\$41.8 million as at 31 December 2017. This was largely due to increase in revolving credit facilities of S\$8.5 million and 10-year term loan of S\$6.4 million. This 10-year term loan was obtained to finance 80% of the construction cost of S\$25 million for the factory building at Seletar Aerospace Park, with a balance of S\$19.5 million as at 31 December 2017 and S\$13.1 million as at 31 December 2016. This was partially offset by the repayment of S\$8.9 million for term loans and revolving credit facilities collectively during the year.

Contingent consideration and provision

Contingent consideration and provision decreased by S\$2.1 million, from \$4.1 million to S\$2.0 million, as the result of the repayment of S\$2.0 million cash consideration made during the year.

Deferred tax liabilities

Deferred tax liabilities decreased by S\$0.6 million, from S\$1.1 million as at 31 December 2016 to S\$0.5 million as at 31 December 2017. This was mainly due to tax credit arising from the excess of net book value over tax written down value of property plant and equipment.

Statement of cash flows of the Group

Net cash generated from operating activities of S\$5.6 million in FY2017 was mainly due to the improvement in cash generated from working capital of S\$3.9 million and improvement in net income.

Net cash used in investing activities amounted to S\$11.6 million in FY2017 and comprised mainly of payment of contingent consideration of S\$2.0 million in respect of the acquisition of JEP Industrades Pte Ltd in end August 2015, and payments for the additions of property, plant and equipment of S\$9.9 million, which was offset by proceeds received from disposal of machinery of S\$0.4 million in FY2017.

Net cash generated from financing activities amounted to S\$4.2 million. This was mainly due to net bank borrowings obtained S\$6.0 million and offset by repayment finance lease of S\$1.3 million, and payment of dividends of S\$0.4 million and share issuance expenses of S\$0.1 million in respect of the financial year ended 31 December 2016.

The utilisation of the net proceeds from the Rights cum Warrants Issue amounted to S\$4.8 million for the SAP factory building as at 31 December 2017, which is in accordance with the stated uses and the percentages allocated in the Offer Information Statement dated 29 November 2016.

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.**

Revenue from aerospace parts is expected to continue as the mainstream of the Group's revenue. This is expected to be sustained by continued increase in the production of next-generation commercial aircraft to satisfy increase in passenger travel demand.

Revenue from Oil and gas is expected to remain sluggish as the recent oil price declines reflect concerns about the lower economic growth in emerging markets, expectations of slow recovering of prices and rebalancing of demand and supply.

The Group's revenue is expected to be enhanced by Equipment Manufacturing segment, which is underpinned by strong and broad-based upswing markets in semiconductor equipment used in the production of electronic devices.

The Group will continue to monitor the market closely to capitalise on available opportunities. In addition, the Group adopts Industry 4.0 into its development strategies to improve its operational efficiency and productivity, enhancing its competitiveness and increasing its market share in the global machining market.

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

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

None.

- (b) **Corresponding Period of the immediately preceding financial year
Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes.

Name of Dividend	Proposed Final Tax-exempt (One-tier) Ordinary Dividend
Dividend Type	Cash
Dividend Amount (in cents)	0.03 cent per Ordinary Share

- (c) **Date 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 recommend for the financial year ended 31 December 2017.

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 IPTs.

14. 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.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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.

	Operating Segments				Group
	Precision Machining	Trading and Others	Equipment manufacturing		
2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations					
Revenue:					
External customers	49,215	21,985	17,715		88,915
Elimination of Inter-reporting unit sales	(594)	(2,005)	(223)		(2,822)
External revenue	48,621	19,980	17,492		86,093
Segment result	(4,100)	2,502	3,544		1,946
Unallocated corporate expenses					
Profit from continuing operations					(776)
Finance costs					1,170
					(1,427)
Profit before tax from continuing operations					
					(257)
Tax credit					440
Net profit for the year after tax from continuing operations					
					183
Discontinued operation					
Loss from discontinued operation, net of tax					-
Net profit for the year, net of tax					
					183

	Operating Segments			
	Precision Machining	Trading and Others	Equipment manufacturing	Group
2016	S\$'000	S\$'000	S\$'000	S\$'000
Continuing operations				
Revenue:				
External customers	44,048	21,951	9,992	75,991
Elimination of Inter-reporting unit sales	(131)	(3,463)	(463)	(4,057)
External revenue	<u>43,917</u>	<u>18,488</u>	<u>9,529</u>	<u>71,934</u>
Segment result	<u>(1,410)</u>	<u>2,314</u>	<u>1,635</u>	<u>2,539</u>
Unallocated corporate expenses				(2,712)
Profit from continuing operations				(173)
Financial income				-
Finance costs				(984)
Profit before tax from continuing operations				(1,157)
Tax credit				972
Net profit for the year after tax from continuing operations				(185)
Discontinued operation				
Loss from discontinued operation, net of tax				-
Net profit for the year, net of tax				<u>(185)</u>

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

Trading & Others

There are no factors which led to material changes in contribution to turnover and earnings as compared to FY2016. For detailed review of performance, please refer to section 8(a) above.

17. A breakdown of sales as follows:

	FY2017 S\$'000 Group	FY2016 S\$'000 Group	% increase/ (decrease) Group
Continuing operations			
a) Sales reported for first half year	39,488	35,549	11.1%
b) Operating (loss) after tax before deducting non-controlling interests reported for first half year	(255)	(256)	N.M
c) Sales reported for the second half year	46,605	36,385	28.1%
d) Operating profit after tax before deducting non-controlling interests reported for second half year	438	71	516.9%

N.M. = not meaningful

18. 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	
	FY2017	FY2016
	S\$'000	S\$'000
Ordinary		
- Interim	-	-
- Final (Recommended)	-	436
Total	-	436

19. **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.**

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
Lau Adelene	31	Eldest daughter of Mr. Joe Lau, the Executive Director and Chief Executive Officer of the Company.	<p>Ms. Lau joined JEPS in 11 July 2012, as a management trainee.</p> <p>As a Business Development manager, an appointment held since 1 January 2014, she was responsible for the business development and sales functions of JEP Precision Engineering Pte Ltd ("JEPS").</p> <p>With effect from 1 March 2017 she was appointed as Deputy Chief Executive Officer of JEPS.</p> <p>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.</p>	<p>Ms. Lau was appointed as Deputy CEO of JEPS with effect from 1 March 2017.</p> <p>As an Deputy CEO, Ms. Lau assisted in overseeing the operations and developing new businesses</p>
Patrick Lau Fook Kong	53	Younger brother of Mr. Joe Lau, the Executive Director and Chief Executive Officer of the Company.	<p>Mr. Lau joined DEPL in 24 September 2014, as a Manufacturer Representative, Distribution Services.</p> <p>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.</p>	<p>As a Manufacturer Representative, he is responsible for the distribution and marketing management functions of DEPL.</p> <p>There was no change in position and duties during FY2017.</p>

Lee Pui Rong	57	Spouse of Mr. Zee Hoong Huay, the Executive Director and Controlling Shareholder of the Company.	<p>Ms. Lee is the Human Resource executive of JEPI.</p> <p>She was appointed as director of JEPI on 8 January 2003, 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>She graduated from the Singapore Nanyang Girls School in 1976.</p>	<p>As a Human Resource executive, she is responsible for the administrative and human resource functions of JEPI.</p> <p>There was no change in position and duties during FY2017.</p>
Darren Zee Yu Liang	30	Eldest son of Mr. Zee Hoong Huay, the Executive Director and Controlling Shareholder of the Company.	<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>With effect from 1 March 2017, Mr. Zee was appointed as Deputy Managing Director of Dolphin Engineering Pte Ltd ("DEPL"), a subsidiary of the JEP Holdings Ltd.</p> <p>He obtained his Diploma in Mechatronics from Temasek Polytechnic in 2009 and Diploma in Sales & Marketing Management from Marketing Institute of Singapore in 2012.</p>	<p>Mr. Zee was appointed as Deputy MD of DEPL with effect from 1 March 2017.</p> <p>As a Deputy MD, Mr. Zee assisted in in overseeing the operations and developing new businesses.</p>

BY ORDER OF THE BOARD

Joe Lau
Executive Director and Chief Executive Officer
26 February 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**"). 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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