



Company Registration No.: 200100340R

## **UMS HOLDINGS ACQUIRES 29.5% STAKE IN CATALIST-LISTED JEP HOLDINGS TO EXPAND INTO HIGH-GROWTH AEROSPACE SECTOR**

- Investment is part of the Group's strategy to diversify its revenue base beyond semiconductors into other high-growth sectors

**Singapore, January 17, 2018 (Embargoed till after 5.30pm Jan 17, 2018)** – SGX Mainboard-listed UMS Holdings Limited ("UMS" or "The Group") has today acquired 29.5% or 429,864,300 ordinary shares of Catalist-listed JEP Holdings Ltd ("JEP") for a total sum of S\$ 28,161,428. The acquisition, made fully in cash and funded by internal resources, is part of UMS' strategy of diversifying its revenue and income base into high-growth sectors beyond the semiconductor industry.

"Our acquisition of JEP is both strategic and synergistic for our Group as it offers us direct and immediate capacity into high-growth sectors such as the aerospace industry. JEP is a leading solutions provider of precision machining and engineering services, with a primary focus on the aerospace industry. About 80 per cent of the company's business is in aerospace, with the remainder coming from the semiconductor and oil and gas industries. This will enable us to increase our customer base beyond semiconductor players and tap the wealth of growth opportunities in these new sectors," said Mr Andy Luong, UMS Chairman and CEO.

JEP has over 30 years of operating history, with a strong value chain to provide seamless manufacturing solutions. The JEP Group's main operating subsidiary, JEP Precision Engineering Pte Ltd ("JEPS"), is also accredited with AS9100, OSHAS, and NADCAP. JEPS has built a solid track record as a reliable 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.

Headquartered in Singapore, JEP operates out of four facilities equipped with high tech machinery for manufacturing and the provision of secondary processes related to engineering services.

JEP recently opened its new 200,000 sq ft state-of-the-art facility in Seletar Aerospace Park., which also offers UMS additional production capacity for immediate expansion to capitalise on the current semiconductor industry boom. JEP also provides tooling services and distribution.

"The aerospace industry has a long runway for growth. With our investment in JEP, which has both an excellent track record and strong customer base in aerospace, we are well-placed to accelerate our diversification strategy and grow our revenues in the coming years," added Mr Luong. "Both UMS and JEP can combine our strengths and maximise operational synergies to capture growth opportunities in new markets such as China. JEP has already set up a joint-venture company in Kunshan, China

to provide precision machining and engineering services to the bullish aerospace sector in China."

The aviation sector in Singapore is set to boom in the coming years. According to Civil Aviation Authority of Singapore (CAAS) which recently unveiled its Air Industry Transformation Map (ITM), the aviation sector here aims to grow real value-add from about S\$7 billion today by another S\$1 billion by 2020\*.

At the unveiling of the Air Industry Transformation Map (ITM) on April 20, 2017, Singapore's Second Minister for Transport Ng Chee Meng revealed that the government is investing S\$500 million in the sector over the next three years. This investment is through the Aviation Development Fund, which is focused on partnerships with local companies and small and medium enterprises (SMEs) to develop and export 'designed in Singapore' aviation products. More projects are in the pipeline, while the government stands ready to commit more resources to boost this industry\*.

Research firm - Frost & Sullivan has also forecast that globally, there will be 38,050 aircraft deliveries between 2015-2034; most of which will be in Asia Pacific (APAC) region. Asia Pacific will become the world's second largest region for aircraft maintenance, repair and overhaul (MRO) services by 2024\*.

\*Source: *Channel News Asia - April 20, 2017*

*Frost & Sullivan-Aviation Market outlook-Q1 2016*

## **About UMS Holdings Limited**

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products.

The Group is in the business of front-end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas.

Headquartered in Singapore, the Group has production facilities in Singapore, Penang, Malaysia as well as Texas and California, USA.

## **Issued on behalf of UMS Holdings Limited**

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