



Company Registration No. 200100340R

# **UMS Holdings Limited and its subsidiaries**

Unaudited Condensed Interim Financial Statements  
For the six-month financial period ended 30 June 2021

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Table of content

---

	Page
Condensed interim consolidated income statement	1
Condensed interim consolidated statement of comprehensive income	2
Condensed interim statements of financial position	3
Condensed interim statements of changes in equity	4-5
Condensed interim consolidated cash flow statement	6
Notes to the condensed interim financial statements	7-23
Other information required by Appendix 7.2 of the listing rules	24-32

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim consolidated income statement  
For the six-month financial period ended 30 June 2021**

	<b>Group</b>					
	<b>2Q</b>			<b>6 Months Ended</b>		
	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>Change</b>	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	66,781	40,324	66%	116,392	75,192	55%
Net finance expense (Note 6.1)	(174)	(93)	87%	(297)	(158)	88%
Changes in inventories	3,801	(354)	N.M	(122)	(1,488)	-92%
Raw material purchases and subcontractor charges	(36,014)	(19,492)	85%	(55,363)	(34,647)	60%
Employee benefits expense	(7,658)	(3,817)	101%	(13,331)	(8,361)	59%
Depreciation expense	(2,779)	(1,892)	47%	(4,543)	(3,740)	21%
Other expenses (Note 6.2)	(4,226)	(2,551)	66%	(7,125)	(5,397)	32%
Other credits/ (charges) (Note 6.3)	2,289	(527)	N.M	2,955	1,158	155%
Share of profit of associate	102	931	-89%	361	1,784	-80%
<b>Profit before income tax</b>	<b>22,122</b>	<b>12,529</b>	<b>77%</b>	<b>38,927</b>	<b>24,343</b>	<b>60%</b>
Income tax expense (Note 7)	(2,876)	(966)	198%	(4,624)	(1,975)	134%
<b>Net profit for the period from continuing operations</b>	<b>19,246</b>	<b>11,563</b>	<b>66%</b>	<b>34,303</b>	<b>22,368</b>	<b>53%</b>
<b>Profit attributable to:</b>						
Owners of the parent	16,904	11,568	46%	32,273	22,269	45%
Non- controlling interest	2,342	(5)	N.M	2,030	99	1951%
	<b>19,246</b>	<b>11,563</b>	<b>66%</b>	<b>34,303</b>	<b>22,368</b>	<b>53%</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>						
Basic	<b>3.17</b>	<b>2.17</b>		<b>6.05</b>	<b>4.17</b>	
Diluted	<b>3.17</b>	<b>2.17</b>		<b>6.05</b>	<b>4.17</b>	

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim consolidated statement of comprehensive income For the six-month financial period ended 30 June 2021

	Group					
	2Q			6 Months Ended		
	30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
<b>Net Profit for the period</b>	<b>19,246</b>	<b>11,563</b>	<b>66%</b>	<b>34,303</b>	<b>22,368</b>	<b>53%</b>
Other comprehensive income/ (loss), net of income tax:						
<i>Items that may be classified subsequently to profit and loss:</i>						
Exchange differences on translation of foreign operations	742	(626)	N.M	(123)	(839)	-85%
<b>Total comprehensive income for the period</b>	<b>19,988</b>	<b>10,937</b>	<b>83%</b>	<b>34,180</b>	<b>21,529</b>	<b>59%</b>
<b>Attributable to:</b>						
Equity holders of the Company	17,305	10,842	60%	31,789	21,574	47%
Non-controlling interests	2,683	95	2724%	2,391	(45)	N.M.
	<b>19,988</b>	<b>10,937</b>	<b>83%</b>	<b>34,180</b>	<b>21,529</b>	<b>59%</b>

# UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

## Condensed interim statements of financial position As at 30 June 2021

	Group		Company	
	30-Jun-2021 S\$'000	31-Dec-2020 S\$'000	30-Jun-2021 S\$'000	31-Dec-2020 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	57,197	53,787	601	438
Trade receivables and other current assets	54,668	23,477	1,181	14,863
Loan to subsidiary	-	-	7,390	7,274
Inventories	74,514	53,938	-	-
<b>Total Current Assets</b>	<b>186,379</b>	<b>131,202</b>	<b>9,172</b>	<b>22,575</b>
<b>Non-Current Assets</b>				
Investment in subsidiaries	-	-	259,715	192,448
Property, plant and equipment (Note 12)	117,701	56,318	-	-
Right-of-use assets	10,510	4,755	-	-
Investment property (Note 13)	1,672	1,748	-	-
Investment in associate	-	35,360	-	35,360
Intangible assets (Note 11)	88,751	80,083	-	-
Deferred tax assets	71	71	-	-
<b>Total Non-Current Assets</b>	<b>218,705</b>	<b>178,335</b>	<b>259,715</b>	<b>227,808</b>
<b>Total Assets</b>	<b>405,084</b>	<b>309,537</b>	<b>268,887</b>	<b>250,383</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Bank borrowings (Note 14)	11,809	15,710	500	-
Trade and other payables	39,787	25,356	34,541	30,937
Loan from related parties (Note 14)	1,403	1,403	-	-
Lease liabilities	1,313	259	-	-
Income tax payable	6,051	3,456	-	26
<b>Total Current Liabilities</b>	<b>60,363</b>	<b>46,184</b>	<b>35,041</b>	<b>30,963</b>
<b>Non Current Liabilities</b>				
Bank borrowings (Note 14)	24,849	-	-	-
Loan from related parties (Note 14)	-	3,835	-	-
Deferred tax liabilities	8,650	1,908	-	-
Long-term provision*	405	405	-	-
Lease liabilities	10,766	4,256	-	-
<b>Total Non-Current Liabilities</b>	<b>44,670</b>	<b>10,404</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>105,033</b>	<b>56,588</b>	<b>35,041</b>	<b>30,963</b>
<b>Capital and Reserves</b>				
Share Capital (Note 15)	136,623	136,623	136,623	136,623
Treasury shares (Note 15.1)	(1,997)	(1,919)	(1,919)	(1,919)
Reserves	(11,167)	(10,683)	-	-
Retained earnings	150,139	127,265	99,142	84,716
	273,598	251,286	233,846	219,420
<b>Non-controlling interest</b>	<b>26,453</b>	<b>1,663</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>300,051</b>	<b>252,949</b>	<b>233,846</b>	<b>219,420</b>
<b>Total Liabilities and Equity</b>	<b>405,084</b>	<b>309,537</b>	<b>268,887</b>	<b>250,383</b>

\* Provision for reinstatement of leased premises.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of changes in equity  
For the six-month financial period ended 30 June 2021

	Attributable to owners of the Company						
	Share Capital S\$'000	Treasury Shares S\$'000	Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Group</b>							
<b>Balance at 1 January 2021</b>	136,623	(1,919)	(10,683)	127,265	251,286	1,663	252,949
<b>Changes in equity for first quarter</b>							
Net profit/(loss) for the period	-	-	-	15,369	15,369	(312)	15,057
Other comprehensive (loss)/ income for the period- Exchange differences on translation of foreign operations	-	-	(885)	-	(885)	20	(865)
<b>Total comprehensive (loss)/ income for the quarter</b>	-	-	(885)	15,369	14,484	(292)	14,192
<b>Balance at 31 March 2021</b>	136,623	(1,919)	(11,568)	142,634	265,770	1,371	267,141
<b>Changes in equity for second quarter</b>							
Net profit for the period	-	-	-	16,904	16,904	2,342	19,246
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	401	-	401	341	742
<b>Total comprehensive income for the quarter</b>	-	-	401	16,904	17,305	2,683	19,988
Dividend paid	-	-	-	(5,334)	(5,334)	-	(5,334)
Purchase of treasury shares by a subsidiary	-	(78)	-	-	(78)	-	(78)
Effect on non-controlling interest on acquisition of a subsidiary	-	-	-	(4,065)	(4,065)	22,399	18,334
<b>As at 30 June 2021</b>	136,623	(1,997)	(11,167)	150,139	273,598	26,453	300,051

	Attributable to owners of the Company						
	Share Capital S\$'000	Treasury Shares S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000	Non-controlling Interests S\$'000	Total S\$'000
<b>Group</b>							
<b>Balance at 1 January 2020</b>	136,623	-	(10,823)	117,465	243,265	1,621	244,886
<b>Changes in equity for first quarter</b>							
Net profit for the period	-	-	-	10,701	10,701	104	10,805
Other comprehensive income/ (loss) for the period- Exchange differences on translation of foreign operations	-	-	31	-	31	(244)	(213)
<b>Total comprehensive income/ (loss) for the quarter</b>	-	-	31	10,701	10,732	(140)	10,592
Purchase of treasury shares	-	(1,919)	-	-	(1,919)	-	(1,919)
<b>Balance at 31 March 2020</b>	136,623	(1,919)	(10,792)	128,166	252,078	1,481	253,559
<b>Changes in equity for second quarter</b>							
Net profit for the period	-	-	-	11,568	11,568	(5)	11,563
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(726)	-	(726)	100	(626)
<b>Total comprehensive income for the quarter</b>	-	-	(726)	11,568	10,842	95	10,937
<b>As at 30 June 2020</b>	136,623	(1,919)	(11,518)	139,734	262,920	1,576	264,496

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of changes in equity  
For the six-month financial period ended 30 June 2021

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Company</b>				
<b>Balance at 1 January 2021</b>	136,623	(1,919)	84,716	219,420
<b>Changes in equity for first quarter</b>				
Net profit for the period	-	-	6,081	6,081
<b>Total comprehensive income for the quarter</b>	-	-	6,081	6,081
<b>Balance at 31 March 2021</b>	136,623	(1,919)	90,797	225,501
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	13,679	13,679
<b>Total comprehensive income for the quarter</b>	-	-	13,679	13,679
Dividend paid	-	-	(5,334)	(5,334)
<b>As at 30 June 2021</b>	136,623	(1,919)	99,142	233,846

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Company</b>				
<b>Balance at 1 January 2020</b>	136,623	-	72,803	209,426
<b>Changes in equity for first quarter</b>				
Net loss for the period	-	-	(637)	(637)
<b>Total comprehensive expenses for the quarter</b>	-	-	(637)	(637)
Purchase of treasury shares	-	(1,919)	-	(1,919)
<b>Balance at 31 March 2020</b>	136,623	(1,919)	72,166	206,870
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	11,944	11,944
<b>Total comprehensive income for the quarter</b>	-	-	11,944	11,944
Purchase of treasury shares	-	-	-	-
Dividend paid	-	-	-	-
<b>As at 30 June 2020</b>	136,623	(1,919)	84,110	218,814

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim consolidated cash flow statement  
For the six-month financial period ended 30 June 2021**

	Group			
	2Q		6 Months Ended	
	30-Jun-21 S\$'000	30-Jun-20 S\$'000	30-Jun-21 S\$'000	30-Jun-20 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	22,122	12,529	38,927	24,343
Adjustments for:				
Depreciation expense	2,779	1,892	4,543	3,740
Loss on deemed disposal of an associate	2,015	-	2,015	-
Waiver of loans from a related party	(3,871)	-	(3,871)	
Property, plant and equipment written off	12	-	12	-
Allowance for project loss	-	-	721	-
Provision for stock obsolescence	324	519	324	519
Gain on disposal of property, plant and equipment	14	(18)	8	(182)
Interest income	(43)	(46)	(68)	(122)
Interest expense	217	139	365	280
Share of profit of associate	(102)	(931)	(361)	(1,784)
Unrealised foreign exchange loss/ (gain)	1,425	597	(292)	(827)
<b>Operating cash flows before working capital changes</b>	<b>24,892</b>	<b>14,681</b>	<b>42,323</b>	<b>25,967</b>
Changes in working capital:				
Trade receivables and other current assets	(63)	(3,683)	(16,815)	(7,934)
Inventories	(5,366)	(103)	(2,144)	966
Trade and other payables	2,089	(136)	7,673	1,283
<b>Cash generated from operations</b>	<b>21,552</b>	<b>10,759</b>	<b>31,037</b>	<b>20,282</b>
Income tax paid	(1,441)	(25)	(2,200)	(96)
<b>Net cash generated from operating activities</b>	<b>20,111</b>	<b>10,734</b>	<b>28,837</b>	<b>20,186</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	97	18	103	188
Purchase of property, plant and equipment	(3,285)	(338)	(3,464)	(1,102)
Net cash outflow on acquisition of a subsidiary	(10,198)	-	(10,198)	-
Investment in associate	-	-	-	(972)
Interest received	43	46	68	122
<b>Net cash used in investing activities</b>	<b>(13,343)</b>	<b>(274)</b>	<b>(13,491)</b>	<b>(1,764)</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(15,255)	-	(22,755)	(2,700)
Proceeds from bank borrowings	16,500	812	16,500	812
Repayment of lease liabilities	(432)	(152)	(524)	(247)
Purchase of treasury shares	(78)	-	(78)	(1,919)
Dividend paid	(5,334)	-	(5,334)	-
Interest paid	(170)	(17)	(193)	(38)
<b>Net cash (used in)/generated from financing activities</b>	<b>(4,769)</b>	<b>643</b>	<b>(12,384)</b>	<b>(4,092)</b>
Net increase in cash and cash equivalents	1,999	11,103	2,962	14,330
Net effect of exchange rate changes	125	(933)	448	323
Cash and cash equivalents at beginning of the period	55,073	38,847	53,787	34,364
<b>Cash and cash equivalents at end of the period</b>	<b>57,197</b>	<b>49,017</b>	<b>57,197</b>	<b>49,017</b>



## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 1. Corporate information

UMS Holdings Limited (the "Company") is a public limited company incorporated and domiciled in Singapore, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The controlling shareholder of the Company is Mr Luong Andy.

The principal activity of the Company is investment holding. The principal activities of the Group are:

- (a) Manufacture of precision machining components, assembly and integration of equipment modules for semiconductor equipment manufacturers;
- (b) Precision engineering works for parts used mainly in the aerospace, oil and gas industries, and other general engineering and machinery work; and
- (c) Manufacture of water disinfection systems, trading of non-ferrous metal alloys and cutting tools.

#### 2. Basis of Preparation

The interim condensed financial statements for the six-month financial period ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) ("**SFRS(I)**") 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The interim condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements, which are expressed in Singapore Dollar ("S\$"), are rounded to the nearest thousand dollar (S\$'000), except as otherwise indicated.

##### 2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### 2.2 Use of judgements and estimates

In the application of the Group's accounting policies, which are described in Note 3 to the consolidated financial statements, management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 2. Basis of preparation (cont'd)

##### 2.2 Use of judgements and estimates (cont'd)

###### (a) Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

###### Useful lives of property, plant and equipment and investment property

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and investment property. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and investment property of a similar nature and function. It could change significantly as a result of technical innovations and competitor actions. Management will increase the depreciation charge where the useful lives are less than previously estimated, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

There is no change in the estimated useful lives of property, plant and equipment and investment property during the financial year. The carrying amounts of property, plant and equipment and investment property of the Group as at 30 June 2021 amounted to S\$117,701,000 (Dec 2020: S\$56,318,000) and S\$1,672,000 (Dec 2020: S\$1,748,000) respectively.

###### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

###### Impairment of loan and receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or product or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables and contract assets. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 2. Basis of preparation (cont'd)

##### 2.2 Use of judgements and estimates (cont'd)

###### (a) Key Sources of Estimation Uncertainty (cont'd)

###### Impairment of loan and receivables (cont'd)

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

###### (b) Critical Judgements in applying Accounting Policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the interim consolidated financial statements are discussed below.

###### Allowance for inventories obsolescence

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Allowances are recorded against the inventories based on historical obsolescence of slow-moving inventories.

#### 3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 4. Financial Information by Segments

The Group is organised into the following main **business segments**:

- (a) Semiconductor: Manufacture of precision machining components, assembly and integration of equipment modules for semiconductor equipment manufacturers;
- (b) Aerospace: Precision engineering works for parts used mainly in the aerospace, oil and gas industries, and other general engineering and machinery work; and
- (c) Others: Manufacture of water disinfection systems, trading of non-ferrous metal alloys and cutting tools.

Management monitors the operating results of its segments separately for the purpose of making decision about resource allocation and performance assessment. Segment performance is monitored based on revenue and gross profit. Selling expenses, administrative expenses, finance costs, assets and liabilities are managed on a legal entity basis.

The Group operates in five principal **geographical regions** - Singapore, Malaysia, Taiwan, the United States of America ("USA") and Others. Other key geographical areas include People's Republic of China and South Korea. Sales to external parties in the individual country grouped under "others" did not contribute more than 5% of the total sales of the Group.

In presenting information on the basis of geographical segments, segment revenue is based on the countries of domicile of the customers. Segment assets are based on the geographical location of the assets.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

#### 4.1 Revenue by Business Segments and Geographical Areas

##### Revenue

##### 6 Months 2021 vs 2020

	<b>Group</b>		
	<b>6 Months Ended</b>		
	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	105,307	68,917	53%
Aerospace	2,916	-	N.M.
Others	8,169	6,275	30%
	<b>116,392</b>	<b>75,192</b>	<b>55%</b>
<b>Geographical Regions</b>			
Singapore	79,605	50,234	58%
United States of America ('US')	14,065	12,165	16%
Taiwan	14,491	10,213	42%
Malaysia	4,392	1,790	145%
Others	3,839	790	386%
	<b>116,392</b>	<b>75,192</b>	<b>55%</b>

##### Revenue

##### 2Q2021 vs 2Q2020

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>30-Jun-21</b>	<b>30-Jun-20</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	58,576	37,201	57%
Aerospace	2,916	-	N.M.
Others	5,289	3,123	69%
	<b>66,781</b>	<b>40,324</b>	<b>66%</b>
<b>Geographical Regions</b>			
Singapore	46,586	28,304	65%
United States of America ('US')	8,681	5,923	47%
Taiwan	5,267	4,780	10%
Malaysia	2,845	987	188%
Others	3,402	330	931%
	<b>66,781</b>	<b>40,324</b>	<b>66%</b>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2021

4.2 Business Segments

	Semiconductor		Aerospace		Others		Total	
	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20	30-Jun-21	30-Jun-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>6 Months Ended 30 June 2021</b>								
<b>Group</b>								
Sales to external parties	105,307	68,917	2,916	-	8,169	6,275	116,392	75,192
<b>Segment results</b>	35,377	24,455	154	-	3,396	(112)	38,927	24,343
Material non-cash items include:								
Depreciation expense	3,346	3,554	197	-	1,000	186	4,543	3,740
Waiver of loans from related party	-	-	-	-	(3,871)	-	(3,871)	-
Allowance for project loss	-	-	-	-	721	-	721	-
Allowance for inventories obsolescence	-	519	148	-	176	-	324	519
Loss on acquisition of a subsidiary	2,015	-	-	-	-	-	2,015	-
Gain on disposal of property, plant and equipment	(3)	(182)	-	-	(5)	-	(8)	(182)
<b>Disaggregation of revenue</b>								
At a point in time - sales of goods	105,196	68,917	2,916	-	8,169	6,275	116,281	75,192
Over time - rental income	111	-	-	-	-	-	111	-
Total revenue	105,307	68,917	2,916	-	8,169	6,275	116,392	75,192
	Semiconductor		Aerospace		Others		Total	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Total assets</b>	574,233	500,416	28,469	-	83,426	34,983	686,128	535,399
<b>Total liabilities</b>	92,969	123,140	13,989	-	47,331	27,935	154,289	151,075
<b>Group</b>								
	30-Jun-21	30-Dec-20						
	S\$'000	S\$'000						
Total assets for reportable segments	686,128	535,399						
Elimination of inter-segment assets	(281,044)	(225,862)						
Total assets	405,084	309,537						
Total liabilities for reportable segments	154,289	151,075						
Elimination of inter-segment liabilities	(49,256)	(94,487)						
Total liabilities	105,033	56,588						

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2021

4.3 Geographical Segments

	Singapore		USA		Taiwan		Malaysia		Others		Total	
	<u>30-Jun-21</u>	<u>30-Jun-20</u>	<u>30-Jun-21</u>	<u>30-Jun-20</u>	<u>30.6.21</u>	<u>30.6.20</u>	<u>30.6.21</u>	<u>30.6.20</u>	<u>30.6.21</u>	<u>30.6.20</u>	<u>30.6.21</u>	<u>30.6.20</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>6 Months Ended 30 June 2021</b>												
<b>Group</b>												
Sales to external parties	79,605	50,234	14,065	12,165	14,491	10,213	4,392	1,790	3,839	790	116,392	75,192
<b>Other geographical information:</b>												
<b>Non-current assets:</b>												
<b>Property, plant and</b>												
equipment	78,978	16,160	67	75	-	-	38,656	40,083	-	-	117,701	56,318
Investment property	1,672	1,748	-	-	-	-	-	-	-	-	1,672	1,748
Investment in an associate	-	35,360	-	-	-	-	-	-	-	-	-	35,360
Intangible assets	87,165	78,497	1,586	1,586	-	-	-	-	-	-	88,751	80,083
Right-of-use assets	9,786	4,263	400	462	-	-	324	30	-	-	10,510	4,755

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

#### 5. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-21
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<u>Financial assets</u>				
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	42,973	21,094	756	14,854
Loan to subsidiary	-	-	7,390	7,274
Cash and bank balances	57,197	53,787	601	438
	100,170	74,881	8,747	22,566
<u>Financial liabilities</u>				
Bank borrowings	36,658	15,710	500	-
Loans from related parties	1,403	5,238	-	-
Trade and other payables (excluding contract liabilities)	32,678	22,029	34,541	30,937
Lease liabilities	12,079	4,515	-	-
	82,818	47,492	35,041	30,937

#### 6. Profit before tax

##### 6.1 Net finance income/ (expense)

	Group					
	30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Group</b>						
<u>Interest income</u>						
- from cash and cash equivalents	43	46	-7%	68	122	-44%
<u>Interest expense</u>						
- on lease liabilities and hire purchases	(105)	(54)	94%	(164)	(106)	55%
- on bank borrowings	(161)	(17)	847%	(184)	(38)	384%
- on loans from related parties	49	(68)	N.M.	(17)	(136)	-88%
Net finance expense	(174)	(93)	87%	(297)	(158)	88%



## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

#### 6. Profit before tax (cont'd)

##### 6.2 Other expenses:

	Group					
	2Q			6 Months Ended		
	30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees	(981)	(469)	109%	(1,666)	(1,064)	57%
Utilities	(1,203)	(914)	32%	(2,110)	(1,768)	19%
Freight charges	(389)	(203)	92%	(602)	(403)	49%
Insurance	(147)	(105)	40%	(249)	(205)	21%
Upkeep of properties and equipment	(240)	(128)	88%	(358)	(239)	50%
Upkeep of machinery	(540)	(388)	39%	(990)	(835)	19%
Others	(726)	(344)	111%	(1,150)	(883)	30%
	(4,226)	(2,551)	66%	(7,125)	(5,397)	32%

##### 6.3 Other Credits/ (Charges)

	Group					
	2Q			6 Months Ended		
	30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange gains/ (loss) - net	586	(417)	N.M	1,861	1,049	77%
Gain on disposal of property, plant and equipment	2	18	-89%	8	182	-96%
Allowance for project loss	-	-	N.M	(721)	-	N.M
Loss on deemed disposal of an associate	(2,015)	-	N.M	(2,015)	-	N.M
Provision for stock obsolescence	(324)	(519)	-38%	(324)	(519)	-38%
Waiver of loans from related party	3,871	-	N.M	3,871	-	N.M
Others	169	391	-57%	275	446	-38%
	2,289	(527)	N.M.	2,955	1,158	155%

##### 6.4 Related Party Transactions

There are no material related party transactions apart from those disclosed elsewhere in the financial statements.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

#### 7. Income Tax

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	Group					
	2Q			6 Months Ended		
	30-Jun-21	30-Jun-20	Change	30-Jun-21	30-Jun-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(2,891)	(966)	199%	(4,697)	(1,975)	138%
- Prior years	15	-	N.M	73	-	N.M
	(2,876)	(966)	N.M	(4,624)	(1,975)	134%

#### 8. Dividends

	Group and Company	
	30-Jun-21	30-Jun-20
	S\$'000	S\$'000
<b>Cash dividend on ordinary shares declared and paid/ payable</b>		
- Interim (one-tier) dividend for 30.6.21: 1 cent (for 30.6.20: 1 cent) per share	5,334	5,334
	<u>5,334</u>	<u>5,334</u>

#### Tax consequences of proposed dividends

The above-mentioned proposed dividends to the shareholders by the Company have no income tax consequences.

#### 9. Net Assets Value

	Group		Company	
	30-Jun-21	31-Dec-20	30-Jun-21	31-Dec-20
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	51.29 cents	47.11 cents	43.46 cents	41.13 cents
Total number of issued shares (excluding treasury shares)	533,429,579	533,429,579	533,429,579	533,429,579

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 10 Fair value measurement

##### *(i) Fair value of financial instruments*

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted prices, discounted cash flow models and option pricing models as appropriate.

The Group presents financial assets measured at fair value and classified by level of the following fair value measurement hierarchy:

- a. Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities;
- b. Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
- c. Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

##### *(ii) Fair Value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The carrying amounts of financial assets and financial liabilities with a maturity of less than one year (including cash and bank balances, trade and other receivables, loan to subsidiaries, bank borrowings, trade and other payables, loans from related parties and lease liabilities) approximate their fair values due to the relatively short-term maturity of these financial instruments.

The carrying amounts of loans from related parties and lease liabilities approximate their fair values as they are subject to interest rates close to market rates of interest for similar arrangement with financial institutions.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 11. Intangible assets

	Goodwill	Customer Relationship	Total
<b>Cost:</b>			
At 1 January 2021	82,201	-	82,201
Acquisition of a subsidiary	6,268	2,400	8,668
<b>At 30 June 2021</b>	<b>88,469</b>	<b>2,400</b>	<b>90,869</b>
<b>Accumulated amortisation and impairment</b>			
<b>At 1 January 2021 and 30 June 2021</b>	<b>(2,118)</b>	<b>-</b>	<b>(2,118)</b>
<b>Net book value:</b>			
<b>At 31 December 2020</b>	<b>80,083</b>	<b>-</b>	<b>80,083</b>
<b>At 30 June 2021</b>	<b>86,351</b>	<b>2,400</b>	<b>88,751</b>

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2020.

The customer relationship arose from the acquisition of JEP Holdings Ltd and its subsidiary. The remaining amortisation period of the customer relationship is eight years (2028 - 8 years). The amortisation of customer relationship will be included in the "Other credits/charges" line item in the consolidated statement of profit or loss and other comprehensive income. In the opinion of the directors of the Group, there is no indication that the recorded book value cannot be recovered from the business operations in the future periods.

#### 12. Property, plant and equipment

During the financial period, the Group acquired assets amounting to S\$3,464,000 (30.6.2020: S\$1,102,000) respectively. The Company did not acquire any assets during financial period 30 June 2021 and 30 June 2020.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 13. Investment property

	Group	
	<u>30-Jun-21</u>	<u>31-Dec-20</u>
	S\$'000	S\$'000
<u>Cost</u>		
At the beginning of the year	4,033	4,786
Additions	-	66
Disposal/Write-off		(819)
At the end of the year	<u>4,033</u>	<u>4,033</u>
<u>Accumulated depreciation</u>		
At the beginning of the year	2,285	2,954
Depreciation for the year	76	150
Disposal/Written-off	-	(819)
At the end of the year	<u>2,361</u>	<u>2,285</u>
<u>Net book value</u>		
At the end of the year	<u>1,672</u>	<u>1,748</u>

Investment property relates to the leasehold property at 25 Changi North Crescent, Singapore 499617 held by a subsidiary under an operating lease to earn rental income.

The tenure of the leasehold property is a 30-year lease from 1 February 2003.

The Group did not generate rental income for the financial year ended 31 December 2020 in relation to the above property as the previous tenant has vacated the space and management is seeking for new business opportunities.

The estimated fair value of the leasehold property amounted to S\$6,600,000 (Dec 2020: S\$6,600,000), classified under Level 2 of the fair value hierarchy, as determined on the basis of management's review of similar properties in the market as at 31 December 2020. The key input applied in the estimation of the investment property is unit price per square foot. There has been no change to the valuation technique during the current financial period.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

#### 14. Borrowings and Loan from Related Parties

	Group		Company	
	<u>30-Jun-21</u> S\$'000	<u>30-Dec-20</u> S\$'000	<u>30-Jun-21</u> S\$'000	<u>31-Dec-20</u> S\$'000
<b>Secured</b>				
Term loans – non-current (a)	24,849	-	-	-
Term Loans – current (a)	2,376	-	-	-
	27,225	-	-	-
<b>Unsecured</b>				
Short term bank loan - current (b)	9,433	15,710	500	-
Loans from related parties				
- Current (c)	1,403	1,403	-	-
- Non-current (d)	-	3,835	-	-
	1,403	5,238	500	-
	<u>38,061</u>	<u>20,948</u>	<u>500</u>	<u>-</u>

- (a) Secured term loans amounting to S\$27.2 million are secured by the property, plant and equipment of subsidiaries.
- (b) The unsecured bank loan bears fixed interest at 0.795% - 1.38% (2020: 0.80% - 2.35%) per annum and with a maturity period of less than three months.
- (c) The loans from related parties bear interest at 2.50% (2020: 2.50%) per annum and relates to an amount owing by a subsidiary to a director and a former director and repayable in the next 12 months.
- (d) The loans from related parties carried interest at 10% per annum (2020: 10%) and was related to an amount owing by a subsidiary to entities controlled by Mr Luong Andy and was classified as non-current liabilities as at 31 Dec 2020 as it was repayable only when the below conditions are met:
- The subsidiary becomes profitable and is in a positive net asset position;
  - The board of directors of the Company approves the repayment after ascertaining the working capital sufficiency of the subsidiary at the time of repayment; and
  - Subject to points (i) and (ii) above being met, up to 50% of annual profits generated or cash generated from operations, whichever is lower, can be used to pay down the loan from related parties.

The loans from related parties were waived during the financial period ended 30 June 2021 (Note 6.3).

#### 15. Share Capital

	<u>30-Jun-21</u>		<u>31-Dec-20</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group and Company</b>				
Issued and fully paid:				
At the beginning and end of the year	536,429,579	136,623	536,429,579	136,623

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 15.1 Treasury shares

	<b>30-Jun-21</b>		<b>31-Dec-20</b>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group</b>				
At the beginning of the year	3,000,000	1,919,000	-	-
Purchase during the year	-	-	3,000,000	1,919,000
Purchase by a subsidiary during the period	362,947	78,000	-	-
At the end of the year	<u>3,362,947</u>	<u>1,997,000</u>	<u>3,000,000</u>	<u>1,919,000</u>

	<b>30-Jun-21</b>		<b>31-Dec-20</b>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Company</b>				
At the beginning of the year	3,000,000	1,919,000	-	-
Purchase during the year	-	-	3,000,000	1,919,000
At the end of the year	<u>3,000,000</u>	<u>1,919,000</u>	<u>3,000,000</u>	<u>1,919,000</u>

#### 16. Acquisition of a subsidiary

##### Acquisition of a subsidiary, JEP Holdings Limited ("JEP")

On 21 April 2021, the Group acquired 54,229,355 shares (or 13.10%) in JEP Holdings Ltd. ("JEP") for S\$10.8 million from Mr Zee Hoong Huay. Subsequently, the Group progressively acquired additional 72,851,511 shares in JEP (or 17.6%) for S\$14.6 million from the open market as well as under the mandatory unconditional cash offer in accordance with Rule 14.1(b) of the Singapore Code on Take-overs and Mergers. As a result, the Group commenced the consolidation of JEP as a 71.39% owned subsidiary as at 30 June 2021. Most asset and liabilities categories increased as a result of the consolidation of JEP's balance sheet.

The Group has elected to measure the non-controlling interest at the non-controlling interest's proportionate share of the acquired subsidiary's identifiable net assets.

##### Goodwill and Gain from acquisition of a subsidiary

A goodwill of S\$6,268,000 was recognised in the consolidated balance sheet arising from the acquisition of JEP because the consideration paid was higher than the fair value of the identifiable net assets. A loss on deemed disposal of an associate (now a subsidiary) of S\$2,015,000 was recognised at Group level.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2021

---

#### 16. Acquisition of a subsidiary (cont'd)

Assets acquired and liabilities assumed at the date of acquisition were as follows:

	S\$'000
Property, Plant and Equipment	62,821
Intangible assets	2,400
Right-of-use assets	6,011
Inventories	19,479
Trade and other receivables	14,395
Cash and bank deposits	15,219
Trade and other payables	(6,759)
Tax payable	(148)
Deferred tax	(6,766)
Bank borrowings	(27,537)
Lease liabilities	(7,926)
Total identifiable net assets at fair value	<u>71,189</u>
Add: Non-controlling interests, at fair value	<u>(32,899)</u>
	38,290
Less: Consideration paid in cash	(10,852)
Fair value of previously-held interests	<u>(33,706)</u>
Goodwill	<u>(6,268)</u>

#### Impact of acquisition on the results of the Group

From the date of acquisition on 30 April 2021 to the financial period ended 30 June 2021, JEP has contributed a total revenue of approximately S\$11,209,000 and a net gain for the year of approximately S\$947,000 to the Group's results.

Had this business combination been effected at 1 January 2021, the consolidated revenue of the Group would have been approximately S\$134,118,000 and the profit for the period would have been S\$35,190,000. The directors of the Group consider these "pro-forma" numbers to represent an approximate measure of the performance of the Group on an annualised basis and to provide a reference point for comparison in future periods.

The impact on acquisition on the cash flows of the Group is as follows:

	S\$'000
<b><u>Impact on acquisition on the cash flows of the Group</u></b>	
Purchase consideration in cash	25,417
Less:	
Cash and bank balances	<u>(15,219)</u>
Net cash outflow on acquisition	<u><u>10,198</u></u>

The effect on the equity attributable to owners of the Company following the progressive acquisition of equity interests in JEP in May and June are as follows:

	S\$'000
Consideration paid for acquisition of non-controlling interests	14,565
Decrease in equity attributable to non-controlling interests	<u>(10,500)</u>
Decrease in equity attributable to owner of the Company	<u><u>4,065</u></u>



**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2021**

---

**17. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

# Other Information Required by Listing Rule Appendix 7.2

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

---

**Other Information**

**1. Review**

The interim condensed consolidated balance sheet of UMS Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 June 2021 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

**2. Review of performance of the Group**

**Interim Condensed Consolidated Statement of Profit or Loss and other comprehensive Income**

**Revenue**

**2QFY2021**

The Group continued to deliver outstanding performance, as revenue jumped 66% to S\$66.8 million as compared to S\$40.3 million in the previous corresponding quarter. This was achieved on the back of strong growth in its semiconductor segment and consolidation of results of JEP Holdings (“JEP”) - which became a subsidiary of UMS in 2QFY2021. Semiconductor revenue rose 57% to S\$58.6 million compared to 2QFY2020, as both Integrated System and component sales increased, driven by robust capex from global wafer fabs. Semiconductor Integrated System sales surged by 47% to S\$28.8 million, while revenue from component sales soared by 69% to S\$29.7 million in 2QFY2021 compared to S\$19.6 million and S\$17.6 million in 2QFY2020 respectively.

Revenue in “Others” segment comprising sales from Starke Singapore (“Starke”); Kalf Engineering (“Kalf”) and JEP Industrades’ tooling distribution business climbed 69%.

On a sequential basis, compared to 1QFY2021, both Semiconductor and Others segment sales surged by 25% and 84% respectively.

Geographically, all the Group’s key markets grew substantially in 2QFY2021. Singapore jumped 65% due to higher shipments of Semiconductor Integrated System sales, higher component sales, as well as, consolidation of JEP’s semiconductor component business. US increased 47%, due to higher component sales and consolidation of JEP’s aerospace segment sales. Taiwan rose 10%, due to higher component sales. Malaysia surged 188%, attributed to higher material distribution sales and the consolidation of JEP’s tooling distribution sales. Revenue in the “Others” category shot up by 931%, mainly due to the inclusion of JEP’s revenue.

**1HFY2021**

Sales growth in all of the Group’s core business segments accelerated.

**2. Review of the performance of the Group (cont'd)**

Revenue for 1HFY2021 jumped 55% to S\$116.4 million compared to S\$75.2 million for the first six months of FY2021 on the back of a 53% and 30% increase in the semiconductor and Other segment, respectively.

In the first six months of FY2021, Semiconductor Integrated Systems sales surged 58% to S\$53.8 million from S\$32.5 million in the previous corresponding six months. Component sales also increased 48% to S\$53.8 million from S\$36.4 million.

All of the Groups key geographical markets grew significantly in 1HFY2021. Malaysia and the "Others" market reported the strongest growth - clocking in triple-digit sales increases.

**Profitability**

**2QFY2021**

The Group's 2QFY2021 net profit increased 66% when compared to 2QFY2020 – recording a net profit of S\$19.2 million compared to S\$11.6 million in 2QFY2020, while net profits attributable to shareholders surged 46% to S\$16.9 million during the same period. This was achieved despite higher expenses in all categories, as a result of the consolidation of JEP. The Group's jump in profit is partially attributed to a credit of \$2.3M versus a charge of S\$0.5M in 2QFY2020, which includes the waiver of S\$3.8m debt and interest payable to CEO Mr. Andy Luong, extended by entities controlled by him to Kalf Engineering. This gain was partially offset by a S\$2.0M loss on acquisition of JEP (reclassification from investment in an associate) and a S\$0.3M inventory provision made by JEP. The Group also booked a forex gain of more than S\$0.5 million - reversing a forex loss in 2QFY2020.

Gross material margin for 2QYF2021 edged up to 51.7% compared to 50.8% in 2QFY2020. This margin was however slightly lower than the 53.1% recorded in 1QFY2021.

Personnel cost and other expenses increased by 101% and 66% respectively. Depreciation expenses also increased by 47%.

**1HFY2021**

The Group's net profits attributable to shareholders leapt 45% to S\$32.3 million compared to S\$22.3 million in the previous corresponding six months. Net profits shot up 53% to S\$34.3 million.

The significant improvement in performance came on the back of higher sales, improved gross material margins and other credits of S\$3.0 million as compared to S\$1.2 million in 1HFY2020. More income tax expense was incurred during 1HFY2021 as a result of higher profits recorded.

**Other information required by Listing Rule Appendix 7.2**  
**For the six-month financial period ended 30 June 2021**

---

**2. Review of the performance of the Group (cont'd)**

**Interim Condensed Consolidated Balance Sheet**

On 21 April 2021, the Group acquired 54,229,355 shares (or 13.10%) in JEP Holdings Ltd. ("JEP") for S\$10.8 million from Mr Zee Hoong Huay. Subsequently, the Group progressively acquired additional 72,851,511 shares in JEP (or 17.6%) for S\$14.6 million from the open market as well as under the mandatory unconditional cash offer in accordance with Rule 14.1(b) of the Singapore Code on Take-overs and Mergers. As a result, the Group commenced the consolidation of JEP as a 71.39% owned subsidiary from 2Q 2021. Most asset and liabilities categories increased as a result of the consolidation of JEP's balance sheet.

**Cash and Bank Balances / Bank borrowings**

The net decrease in cash and cash equivalents by S\$17.5 million (after netting-off bank borrowings) was mainly due to acquisition of JEP partially offset by the net cash generated from operating activities, and repayment of S\$6.3 million short term loan during the year.

**Trade and other receivables**

Trade receivables and other current assets increased by S\$31.2 million. This is mainly due to the acquisition of JEP.

**Inventories**

The increase in inventories by S\$20.6 million was mainly due to the acquisition of JEP.

**Trade and other payables**

Trade and other payables increased by S\$14.4 million. This is mainly due to the acquisition of JEP.

**Non-current loan from related party**

The loan from related party was waived during the period.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

---

**2. Review of the performance of the Group (cont'd)**

**Interim Condensed Consolidated Cash Flow Statement**

**2QFY2021**

The Group's financial position remains strong. It registered S\$20.1 million positive net cash from operating activities and S\$16.9 million free cash flow in 2QFY2021. This was mainly attributed to the stronger performance in the semiconductor segment.

The Group maintained a strong cash position, even after paying S\$5.3M interim dividend to reward shareholders and invested S\$25.4 million to acquire 127,080,866 shares of JEP. After accounting for cash and bank balances at JEP, the Group incurred a net cash outflow of S\$10.2 million.

**1HFY2021**

For 1HFY2021, the Group generated S\$28.8 million positive net cash from operating activities and S\$25.5 million free cash flow in 1HFY2020.

Its net cash and cash equivalents (net of bank borrowings) remained healthy at S\$20.5 million compared to S\$38 million as at 31 December 2020.

Its cash and cash equivalents improved to S\$57.2 million at the end of June 2021 compared to S\$49 million as at the end of June 2020.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

---

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the previous announcement made on 10 May 2021.

**4. 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**

Strong equipment spending and capex commitments from global foundries and the build-up of semiconductor production infrastructure have powered the surge in the Group's performance in the first 6 months of the year. While the Group benefitted from this tremendous growth wave, its sterling results also demonstrated the success of the Group's diversification strategy. Both its acquisitions (JEP and Starke) have contributed positively to the Group's performance.

While the COVID 19 pandemic caused severe economic challenges and supply disruptions, the crisis also opened up growth opportunities for the Group. Global chip demand accelerated at an unprecedented pace and, the industry is expected to grow over 15% in 2021 to US\$488 billion.<sup>1</sup>

According to SEMI, global sales of semiconductor manufacturing equipment are forecasted to surpass US\$100 billion next year, a new high, after jumping 34% to US\$95.3 billion in 2021. In addition, the robust demand for memory and storage are driving spending on NAND and DRAM manufacturing equipment. The DRAM equipment segment is expected to lead the expansion in 2021, surging 46% to surpass \$14 billion.<sup>2</sup>

Similarly, in the medium to long term, the global semiconductor manufacturing equipment market is expected to continue growing at 9.6% from 2021 through to 2026 amidst supportive trends led by various technological advancements such as the utilization of artificial intelligence (AI) solutions and the integration of connected devices with the Internet of Things (IoT). In addition, electronics manufacturers are using IoT-enabled silicon-based sensors in the manufacturing equipment that offer remote monitoring capabilities for complex circuit boards.<sup>3</sup>

The eruption of demand for semiconductors is also driven by the upsurge in automated self-driving vehicles and electric cars or electric vehicles (EVs) - which are in turn accelerated by the increasing concerns of sustainability and climate change worldwide.

Our key customer continues to forecast strong demand ahead as it expects to outperform its markets as large circular trends create sustainable demand for semiconductors. Our key customer will also leverage on its leadership in material engineering to drive new chip technologies - which will bode well for the Group.

The Group's acquisition of JEP will also enable the Group to take advantage of JEP's readily available production capacity and technological competencies to support UMS' strong customer order flows as well as to mitigate the challenging operating conditions in Malaysia, which is still grappling with the ongoing Covid19 restrictions.

Going forward, the Group will spearhead new integration initiatives to improve the operational synergies of the enlarged group.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

---

**4. 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 (cont'd)**

With the increasing pace of vaccinations and the gradual re-opening of national borders to travelers, the outlook of the aviation sector has improved - with some aviation companies recently reporting both sales and profit turnaround.

The Group therefore maintains an optimistic view of the aerospace industry in the longer term.

In light of the Group's outstanding half year performance and buoyant outlook, the Board has proposed a 1 cent interim dividend to reward shareholders.

In addition, the Board has also proposed a special bonus issue to thank shareholders for their loyal support. This is the Group's third bonus share issue since June 2014.

Barring any unforeseen circumstances, the Group will remain profitable in 2021.

[<sup>1</sup>Source: Semiconductor Industry: Key growth drivers and the changing trends – An Overview: <https://www.financialexpress.com/investing-abroad/stockal-specials/semiconductor-industry-key-growth-drivers-and-the-changing-trends-an-overview/2287214/>]

[<sup>2</sup>Source: SEMICONDUCTOR EQUIPMENT FORECAST TO POST INDUSTRY HIGH OF \$100 BILLION IN 2022, SEMI REPORTS: <https://www.semi.org/en/news-media-press/semi-press-releases/semiconductor-equipment-forecast-post-industry-high-%24100-billion-2022-semi-reports>]

[<sup>3</sup>Source: Semiconductor Manufacturing Equipment Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026: <https://www.imarcgroup.com/semiconductor-manufacturing-equipment-market>]

**5. Dividend information**

**a. Current Financial Period Reported on**

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

**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	Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

**c. Date payable**

26 October 2021.



**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

**d. Record date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 13 October 2021, for the purpose of determining members' entitlements to the Second Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2021.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to the close of business at 5.00 p.m. on 12 October 2021 will be registered before entitlement to the Second Interim Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 12 October 2021 will be entitled to the Second Interim Dividend.

**6. Interested person transactions**

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the six-month financial period ended 30 June 2021 is disclosed below

		<b>6 Months Period Ended 30 June 2021</b>
<b>Name of interested person</b>	<b>Nature of Relationship</b>	<b>Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)</b> <b>S\$'000</b>
<b>Sure Achieve Consultant Pte Ltd</b>		
Consultancy Services charges and commission	Transaction above is with Sure Achieve Consultant Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and shareholder. She is the wife of the CEO of the Group, Mr. Luong Andy.  The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd for the period ended 30 June 2021 amounted to S\$722,000 which represents approximately 0.42% of the Group's latest audited net tangible assets as at 31 December 2020.	722

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2021**

---

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

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 2Q2021 and the period ended 30 June 2021 financial results to be false or misleading in any material respect.

**8. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Luong Andy  
Chief Executive Officer**

13 August 2021