



Company Registration No. 200100340R

UMS Holdings Limited and its subsidiaries

Unaudited Condensed Interim Financial Statements
For the nine-month financial period ended 30 September 2021

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**Condensed interim consolidated income statement
For the nine-month financial period ended 30 September 2021**

	Group					
	3Q			9 Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	67,577	45,152	50%	183,969	120,344	53%
Net finance expense (Note 6.1)	(239)	(102)	134%	(536)	(260)	106%
Changes in inventories	31,767	1,816	1649%	31,645	328	9548%
Raw material purchases and subcontractor charges	(62,606)	(22,012)	184%	(117,969)	(56,659)	108%
Employee benefits expense	(10,620)	(5,066)	110%	(23,951)	(13,427)	78%
Depreciation expense	(3,609)	(1,944)	86%	(8,152)	(5,684)	43%
Other expenses (Note 6.2)	(4,821)	(3,030)	59%	(11,946)	(8,427)	42%
Other credits / (charges) (Note 6.3)	639	(1,281)	N.M	3,594	(123)	N.M
Share of profit of associate	-	370	-100%	361	2,154	-83%
Profit before income tax	18,088	13,903	30%	57,015	38,246	49%
Income tax expense (Note 7)	(2,020)	(1,018)	98%	(6,644)	(2,993)	122%
Net profit for the period from continuing operations	16,068	12,885	25%	50,371	35,253	43%
Profit attributable to:						
Owners of the parent	15,144	12,942	17%	47,417	35,211	35%
Non- controlling interest	924	(57)	N.M	2,954	42	6933%
	16,068	12,885	25%	50,371	35,253	43%
Earnings per share attributable to owners of the Company (cents per share)						
Basic	2.84	2.43		8.89	6.60	
Diluted	2.84	2.43		8.89	6.60	

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim consolidated statement of comprehensive income For the nine-month financial period ended 30 September 2021

	Group					
	3Q			9 Months Ended		
	30-Sep-21 S\$'000	30-Sep-20 S\$'000	Change %	30-Sep-21 S\$'000	30-Sep-20 S\$'000	Change %
Net Profit for the period	16,068	12,885	25%	50,371	35,253	43%
Other comprehensive (loss)/income, net of income tax:						
<i>Items that may be classified subsequently to profit and loss:</i>						
Exchange differences on translation of foreign operations	(848)	771	N.M	(971)	(68)	1328%
Total comprehensive income for the period	15,220	13,656	11%	49,400	35,185	40%
Attributable to:						
Equity holders of the Company	14,655	13,589	8%	46,444	35,163	32%
Non-controlling interests	565	67	743%	2,956	22	13336%
	15,220	13,656	11%	49,400	35,185	40%

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of financial position

As at 30 September 2021

	Group		Company	
	30-Sep-2021 S\$'000	31-Dec-2020 S\$'000	30-Sep-2021 S\$'000	31-Dec-2020 S\$'000
ASSETS				
Current Assets				
Cash and bank balances	53,726	53,787	291	438
Trade receivables and other current assets	53,701	23,477	1,100	14,863
Loan to subsidiary	-	-	7,380	7,274
Inventories	86,583	53,938	-	-
Total Current Assets	194,010	131,202	8,771	22,575
Non-Current Assets				
Investment in subsidiaries	-	-	259,715	192,448
Property, plant and equipment (Note 12)	117,365	56,318	-	-
Right-of-use assets	10,311	4,755	-	-
Investment property (Note 13)	1,697	1,748	-	-
Investment in associate	-	35,360	-	35,360
Intangible assets (Note 11)	88,601	80,083	-	-
Deferred tax assets	82	71	-	-
Total Non-Current Assets	218,056	178,335	259,715	227,808
Total Assets	412,066	309,537	268,486	250,383
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 14)	2,782	15,710	-	-
Trade and other payables	46,353	25,356	42,478	30,937
Loan from related parties (Note 14)	1,403	1,403	-	-
Lease liabilities	1,257	259	-	-
Income tax payable	6,237	3,456	-	26
Total Current Liabilities	58,032	46,184	42,478	30,963
Non Current Liabilities				
Bank borrowings (Note 14)	24,178	-	-	-
Loan from related parties (Note 14)	-	3,835	-	-
Deferred tax liabilities	9,058	1,908	-	-
Long-term provision*	405	405	-	-
Lease liabilities	10,457	4,256	-	-
Total Non-Current Liabilities	44,098	10,404	-	-
Total Liabilities	102,130	56,588	42,478	30,963
Capital and Reserves				
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	(11,656)	(10,683)	-	-
Retained earnings	159,948	127,265	91,304	84,716
	282,918	251,286	226,008	219,420
Non-controlling interest	27,018	1,663	-	-
Total Equity	309,936	252,949	226,008	219,420
Total Liabilities and Equity	412,066	309,537	268,486	250,383

* Provision for reinstatement of leased premises.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

	Attributable to owners of the Company						Total S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interests S\$'000	
Group							
Balance at 1 January 2021	136,623	(1,919)	(10,683)	127,265	251,286	1,663	252,949
Changes in equity for first quarter							
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)
Total comprehensive (loss)/ income for the quarter	-	-	(885)	15,369	14,484	(292)	14,192
Balance at 31 March 2021	136,623	(1,919)	(11,568)	142,634	265,770	1,371	267,141
Changes in equity for second quarter							
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
Total comprehensive income for the quarter	-	-	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
As at 30 June 2021	136,623	(1,997)	(11,167)	150,139	273,598	26,453	300,051
Changes in equity for third quarter							
Net profit for the period	-	-	-	15,144	15,144	924	16,068
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(489)	-	(489)	(359)	(848)
Total comprehensive income for the quarter	-	-	(489)	15,144	14,655	565	15,220
Dividend paid	-	-	-	(5,335)	(5,335)	-	(5,335)
As at 30 September 2021	136,623	(1,997)	(11,656)	159,948	282,918	27,018	309,936

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

Group	Attributable to owners of the Company						
	Share Capital	Treasury Shares	Foreign Exchange Translation Reserve	Retained Earnings	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 January 2020	136,623	-	(10,823)	117,465	243,265	1,621	244,886
Changes in equity for first quarter							
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)
Total comprehensive income/ (loss) for the quarter	-	-	31	10,701	10,732	(140)	10,592
Purchase of treasury shares	-	(1,919)	-	-	(1,919)	-	(1,919)
Balance at 31 March 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,792)</u>	<u>128,166</u>	<u>252,078</u>	<u>1,481</u>	<u>253,559</u>
Changes in equity for second quarter							
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)
Total comprehensive income for the quarter	-	-	(726)	11,568	10,842	95	10,937
As at 30 June 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(11,518)</u>	<u>139,734</u>	<u>262,920</u>	<u>1,576</u>	<u>264,496</u>
Changes in equity for third quarter							
Net profit for the period	-	-	-	12,942	12,942	(57)	12,885
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	647	-	647	124	771
Total comprehensive income for the quarter	-	-	647	12,942	13,589	67	13,656
Disposal of a subsidiary	-	-	-	-	-	-	-
Dividend paid	-	-	-	(18,670)	(18,670)	-	(18,670)
As at 30 September 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,871)</u>	<u>134,006</u>	<u>257,839</u>	<u>1,643</u>	<u>259,482</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**Condensed interim statements of changes in equity
For the nine-month financial period ended 30 September 2021**

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
Company				
Balance at 1 January 2021	136,623	(1,919)	84,716	219,420
Changes in equity for first quarter				
Net profit for the period	-	-	6,081	6,081
Total comprehensive income for the quarter	-	-	6,081	6,081
Balance at 31 March 2021	136,623	(1,919)	90,797	225,501
Changes in equity for second quarter				
Net profit for the period	-	-	13,679	13,679
Total comprehensive income for the quarter	-	-	13,679	13,679
Dividend paid	-	-	(5,334)	(5,334)
As at 30 June 2021	136,623	(1,919)	99,142	233,846
Changes in equity for third quarter				
Net profit for the period	-	-	(2,503)	(2,503)
Total comprehensive income for the quarter	-	-	(2,503)	(2,503)
Cancellation of treasury shares and share buy back	-	-	-	-
Dividend paid	-	-	(5,335)	(5,335)
As at 30 September 2021	136,623	(1,919)	91,304	226,008

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
Company				
Balance at 1 January 2020	136,623	-	72,803	209,426
Changes in equity for first quarter				
Net loss for the period	-	-	(637)	(637)
Total comprehensive expenses for the quarter	-	-	(637)	(637)
Purchase of treasury shares	-	(1,919)	-	(1,919)
Balance at 31 March 2020	136,623	(1,919)	72,166	206,870
Changes in equity for second quarter				
Net profit for the period	-	-	11,944	11,944
Total comprehensive income for the quarter	-	-	11,944	11,944
Purchase of treasury shares	-	-	-	-
Dividend paid	-	-	-	-
As at 30 June 2020	136,623	(1,919)	84,110	218,814
Changes in equity for third quarter				
Net profit for the period	-	-	12,433	12,433
Total comprehensive income for the quarter	-	-	12,433	12,433
Cancellation of treasury shares and share buy back	-	-	-	-
Dividend paid	-	-	(18,670)	(18,670)
As at 30 September 2020	136,623	(1,919)	77,873	212,577

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements
For the nine-month financial period ended 30 September 2021

	Group			
	3Q		9 Months Ended	
	30-Sep-21 S\$'000	30-Sep-20 S\$'000	30-Sep-21 S\$'000	30-Sep-20 S\$'000
Cash flows from operating activities				
Profit before income tax	18,088	13,903	57,015	38,246
Adjustments for:				
Depreciation expense	3,609	1,944	8,152	5,684
Loss on deemed disposal of an associate	-	-	2,015	-
Waiver of loans from a related party	(17)	-	(3,888)	-
Write back provision for doubtful debts (non-trade)	(7)	-	(7)	-
Property, plant and equipment written off	7	-	19	-
Allowance for project loss	5	-	726	-
Provision for stock obsolescence	(1)	162	323	681
Loss/(Gain) on disposal of property, plant and equipment	2	(4)	10	(186)
Interest income	(48)	(45)	(116)	(167)
Interest expense	287	147	652	427
Amortisation of intangible assets	150	-	150	-
Share of profit of associate	-	(370)	(361)	(2,154)
Unrealised foreign exchange loss/ (gain)	17	(22)	(275)	(849)
Operating cash flows before working capital changes	22,092	15,715	64,415	41,682
Changes in working capital:				
Trade receivables and other current assets	966	(171)	(15,849)	(8,105)
Inventories	(12,072)	(1,982)	(14,216)	(1,016)
Trade and other payables	6,566	(294)	14,239	989
Cash generated from operations	17,552	13,268	48,589	33,550
Income tax paid	(1,433)	(1,013)	(3,633)	(1,109)
Net cash generated from operating activities	16,119	12,255	44,956	32,441
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	4	103	192
Purchase of property, plant and equipment	(3,114)	(659)	(6,578)	(1,761)
Improvement to investment property	(65)	(16)	(65)	(16)
Net cash outflow on acquisition of a subsidiary	-	-	(10,198)	-
Investment in associate	-	(135)	-	(1,107)
Interest received	48	45	116	167
Net cash used in investing activities	(3,131)	(761)	(16,622)	(2,525)
Cash flows from financing activities				
Repayment of bank borrowings	(9,702)	(1,000)	(32,457)	(3,700)
Proceeds from bank borrowings	-	6,600	16,500	7,412
Repayment of lease liabilities	(477)	(125)	(1,001)	(372)
Purchase of treasury shares	-	-	(78)	(1,919)
Dividend paid	(5,335)	(18,670)	(10,669)	(18,670)
Interest paid	(165)	(26)	(358)	(64)
Net cash used in financing activities	(15,679)	(13,221)	(28,063)	(17,313)
Net (decrease)/increase in cash and cash equivalents	(2,691)	(1,727)	271	12,603
Net effect of exchange rate changes	(780)	443	(332)	766
Cash and cash equivalents at beginning of the period	57,197	49,017	53,787	34,364
Cash and cash equivalents at end of the period	53,726	47,733	53,726	47,733

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the nine-month financial period ended 30 September 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 nine-month financial period ended 30 September 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.

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Notes to the condensed interim consolidated financial statements For the nine-month financial period ended 30 September 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 September 2021 amounted to S\$117,365,000 (Dec 2020: S\$56,318,000) and S\$1,697,000 (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 nine-month financial period ended 30 September 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 nine-month financial period ended 30 September 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.

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Notes to the condensed interim consolidated financial statements
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4.1 Revenue by Business Segments and Geographical Areas

Revenue

9 Months 2021 vs 2020

	Group		
	9 Months Ended		
	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	164,852	111,292	48%
Aerospace	6,031	-	N.M.
Others	13,086	9,052	45%
	<u>183,969</u>	<u>120,344</u>	<u>53%</u>
Geographical Regions			
Singapore	127,782	82,246	55%
United States of America ('US')	22,835	17,075	34%
Taiwan	20,346	16,735	22%
Malaysia	7,101	2,926	143%
Others	5,905	1,362	334%
	<u>183,969</u>	<u>120,344</u>	<u>53%</u>

Revenue

3Q2021 vs 3Q2020

	Group		
	3 Months Ended		
	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	59,653	42,375	41%
Aerospace	3,115	-	N.M.
Others	4,809	2,777	73%
	<u>67,577</u>	<u>45,152</u>	<u>50%</u>
Geographical Regions			
Singapore	47,113	32,012	47%
United States of America ('US')	8,578	4,910	75%
Taiwan	5,855	6,441	-9%
Malaysia	2,820	1,218	132%
Others	3,211	571	462%
	<u>67,577</u>	<u>45,152</u>	<u>50%</u>

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Notes to the condensed interim consolidated financial statements
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4.3 Geographical Segments

Group	Singapore		USA		Taiwan		Malaysia		Others		Total	
	<u>30-Sep-21</u>	<u>30-Sep-20</u>	<u>30-Sep-21</u>	<u>30-Sep-20</u>	<u>30-Sep-21</u>	<u>30-Sep-20</u>	<u>30-Sep-21</u>	<u>30-Sep-20</u>	<u>30-Sep-21</u>	<u>30-Sep-20</u>	<u>30-Sep-21</u>	<u>30-Sep-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
9 Months Ended 30 September 2021												
Group												
Sales to external parties	127,782	82,246	22,835	17,075	20,346	16,735	7,101	2,926	5,905	1,362	183,969	120,344
	<u>30-Sep-21</u>	<u>31-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-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
Other geographical information:												
Non-current assets:												
Property, plant and												
equipment	79,095	16,160	62	75	-	-	38,208	40,083	-	-	117,365	56,318
Investment property	1,697	1,748	-	-	-	-	-	-	-	-	1,697	1,748
Investment in an associate	-	35,360	-	-	-	-	-	-	-	-	-	35,360
Intangible assets	87,015	78,497	1,586	1,586	-	-	-	-	-	-	88,601	80,083
Right-of-use assets	9,670	4,263	365	462	-	-	276	30	-	-	10,311	4,755

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the nine-month financial period ended 30 September 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 September 2021 and 31 December 2020:

	Group		Company	
	30-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000
Group				
<u>Financial assets</u>				
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	47,032	21,094	875	14,854
Loan to subsidiary	-	-	7,380	7,274
Cash and bank balances	53,726	53,787	291	438
	100,758	74,881	8,546	22,566
<u>Financial liabilities</u>				
Bank borrowings	26,960	15,710	-	-
Loans from related parties	1,403	5,238	-	-
Trade and other payables (excluding contract liabilities)	37,048	22,029	42,478	30,937
Lease liabilities	11,714	4,515	-	-
	77,125	47,492	42,478	30,937

6. Profit before tax

6.1 Net finance expense

	Group					
	3Q			9 Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Group						
<u>Interest income</u>						
- from cash and cash equivalents	48	45	7%	116	167	-31%
<u>Interest expense</u>						
- on lease liabilities and hire purchases	(153)	(52)	194%	(288)	(158)	82%
- on bank borrowings	(125)	(26)	381%	(338)	(64)	428%
- on loans from related parties	(9)	(69)	-87%	(26)	(205)	-87%
Net finance expense	(239)	(102)	134%	(536)	(260)	106%

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the nine-month financial period ended 30 September 2021

6. Profit before tax (cont'd)

6.2 Other expenses:

	Group					
	3Q			9 Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees	(815)	(587)	39%	(2,480)	(1,651)	50%
Utilities	(1,276)	(961)	33%	(3,387)	(2,729)	24%
Freight charges	(620)	(246)	152%	(1,223)	(649)	88%
Insurance	(169)	(117)	44%	(418)	(322)	30%
Upkeep of properties and equipment	(382)	(187)	104%	(740)	(426)	74%
Upkeep of machinery	(642)	(546)	18%	(1,626)	(1,381)	18%
Others	(917)	(386)	138%	(2,072)	(1,269)	63%
	(4,821)	(3,030)	59%	(11,946)	(8,427)	42%

6.3 Other Credits / (Charges)

	Group					
	3Q			9 Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange gain/(loss) - net	568	(1,345)	N.M	2,429	(296)	N.M
(Loss)/Gain on disposal of property, plant and equipment	(2)	4	N.M	(10)	186	N.M
Allowance for project loss	(5)	-	N.M	(726)	-	N.M
Amortisation of intangible assets	(150)	-	N.M	(150)	-	N.M
Loss on deemed disposal of an associate	-	-	0%	(2,015)	-	N.M
Provision for stock obsolescence	1	(162)	N.M	(323)	(681)	-53%
Waiver of loans from a related party	17	-	N.M	3,888	-	N.M
Others	210	222	-5%	501	668	-25%
	639	(1,281)	N.M	3,594	(123)	N.M

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 nine-month financial period ended 30 September 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					
	3Q			9 Months Ended		
	30-Sep-21	30-Sep-20	Change	30-Sep-21	30-Sep-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(2,057)	(1,018)	102%	(6,754)	(2,993)	126%
- Prior years	37	-	N.M	110	-	N.M
	(2,020)	(1,018)	98%	(6,644)	(2,993)	122%

8. Dividends

	Group and Company	
	30-Sep-21	30-Sep-20
	S\$'000	S\$'000
Cash dividend on ordinary shares declared and paid/ payable		
- Interim (one-tier) dividend for 30.9.21: 1 cent (for 30.9.20: 0.5 cent) per share	5,335	2,667
	<u>5,335</u>	<u>2,667</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-Sep-21	31-Dec-20	30-Sep-21	31-Dec-20
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	53.04 cents	47.11 cents	42.37 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 nine-month financial period ended 30 September 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 nine-month financial period ended 30 September 2021

11. Intangible assets

	Goodwill	Customer Relationship	Total
Cost:			
At 1 January 2021	82,201	-	82,201
Acquisition of a subsidiary	6,268	2,400	8,668
At 30 Sep 2021	88,469	2,400	90,869
Accumulated amortisation			
At 1 January 2021	-	-	-
Amortisation for the year	-	(150)	(150)
At 30 Sep 2021	-	(150)	(150)
Accumulated impairment			
At 1 January 2021	(2,118)	-	(2,118)
Impairment for the year	-	-	-
At 30 Sep 2021	(2,118)	-	(2,118)
Net book value:			
At 31 December 2020	80,083	-	80,083
At 30 Sep 2021	86,351	2,250	88,601

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\$6,578,000 (30.9.2020: S\$1,761,000) respectively. The Company did not acquire any assets during financial period 30 Sep 2021 and 30 Sep 2020.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the nine-month financial period ended 30 September 2021

13. Investment property

	Group	
	30-Sep-21	31-Dec-20
	S\$'000	S\$'000
<u>Cost</u>		
At the beginning of the year	4,033	4,786
Additions	65	66
Disposal/Write-off	-	(819)
At the end of the year	4,098	4,033
<u>Accumulated depreciation</u>		
At the beginning of the year	2,285	2,954
Depreciation for the year	116	150
Disposal/Written-off	-	(819)
At the end of the year	2,401	2,285
<u>Net book value</u>		
At the end of the year	1,697	1,748

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 nine-month financial period ended 30 September 2021

14. Borrowings and Loan from Related Parties

	<u>Group</u>		<u>Company</u>	
	<u>30-Sep-21</u>	<u>30-Dec-20</u>	<u>30-Sep-21</u>	<u>31-Dec-20</u>
	S\$'000	S\$'000	S\$'000	
Secured				
Term loans – non-current (a)	24,178	-	-	-
Term Loans – current (a)	2,379	-	-	-
	26,557	-	-	-
Unsecured				
Short term bank loan - current (b)	403	15,710	-	-
Loans from related parties				
- Current (c)	1,403	1,403	-	-
- Non-current (d)	-	3,835	-	-
	1,403	5,238	-	-
	28,363	20,948	-	-

- (a) Secured term loans amounting to S\$26.6 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:
- (i) The subsidiary becomes profitable and is in a positive net asset position;
 - (ii) 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
 - (iii) 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 3 month financial period ended 30 June 2021 (2QFY2021) (Note 6.3).

15. Share Capital

	<u>30-Sep-21</u>		<u>31-Dec-20</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
Group and Company				
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 nine-month financial period ended 30 September 2021

15.1 Treasury shares

	30-Sep-21		31-Dec-20	
	No. of		No. of	
	ordinary	S\$'000	ordinary	S\$'000
	shares		shares	
Group				
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>
	30-Sep-21		31-Dec-20	
	No. of		No. of	
	ordinary	S\$'000	ordinary	S\$'000

	30-Sep-21		31-Dec-20	
	No. of		No. of	
	ordinary	S\$'000	ordinary	S\$'000
	shares		shares	
Company				
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 September 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 nine-month financial period ended 30 September 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	71,189
Add: Non-controlling interests, at fair value	(32,899)
	38,290
Less: Consideration paid in cash	(10,852)
Fair value of previously-held interests	(33,706)
Goodwill	(6,268)

Impact of acquisition on the results of the Group

From the date of acquisition on 30 April 2021 to the financial period ended 30 September 2021, JEP has contributed a total revenue of approximately S\$30,569,000 and a net gain for the year of approximately S\$2,676,000 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\$153,478,000 and the profit for the period would have been S\$36,919,000. 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
<u>Impact on acquisition on the cash flows of the Group</u>	
Purchase consideration in cash	25,417
Less:	
Cash and bank balances	(15,219)
Net cash outflow on acquisition	<u>10,198</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	(10,500)
Decrease in equity attributable to owner of the Company	<u>4,065</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**Notes to the condensed interim consolidated financial statements
For the nine-month financial period ended 30 September 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

1. Review

The interim condensed consolidated balance sheet of UMS Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 September 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 nine-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

3QFY2021

Group revenue continued to climb reaching, S\$67.6 million - a 50% jump as compared to S\$45.2 million in the previous corresponding quarter. This was on the back of sustained strong growth in the global semiconductor industry and the impact from the consolidation of JEP Holdings (“JEP”) as it became a 71.39% owned subsidiary from 2Q 2021.

Semiconductor revenue rose 41% to S\$59.7 million compared to S\$42.4 million in 3QFY2020, which was mainly attributed to a 99% surge in component revenue to S\$37.8 million. Integrated Systems sales eased 6% to S\$22 million compared to S\$23.4 million in 3QFY2020. This was due to temporary production constraints resulting from tighter COVID 19 guidelines imposed by the Malaysian Government which restricted production headcount to 60% in our Penang campus during the month of August. The Group was able to mitigate the production challenges in Penang by utilising JEP’s ready production capacity in Singapore and by adopting pro-active measures to expedite vaccination rates among production staff as well as implementation of strict safety protocols to safeguard against COVID 19 infections. Since October, our Penang facilities have resumed full production headcount with production operations running smoothly.

Sales from the Group’s subsidiaries continued to perform well. Revenue in “Others” segment comprising mainly Starke’s (“Starke”) material distribution and JEP Industrades’ tooling distribution business leapt 73%.

On a sequential basis, compared to 2QFY2021, Semiconductor and Aerospace segment sales edged up by 2% and 7% respectively. Others segment dipped 9%.

Except for Taiwan, all the Group’s key geographical markets grew substantially in 3QFY2021. Singapore rose 47%, due to higher component sales, as well as, consolidation of JEP’s semiconductor component business. US surged 75%, due to higher component sales and consolidation of JEP’s aerospace segment sales. Malaysia soared 132%, due to higher material distribution sales and consolidation of JEP’s tooling distribution sales. Others shot up 462%, due to consolidation of JEP’s aerospace segment and tooling distribution sales. Taiwan’s 9% dip resulted from lower component spare sales.

9MFY2021

Sales in all of the Group’s core business segments grew substantially.

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

Revenue for 9MFY2021 surged 53% to S\$184.0 million compared to S\$120.3 million in the previous corresponding nine months, on the back of a 48% and 45% sales increase in the semiconductor and Other segments, respectively. The addition of JEP's core aerospace segment also contributed to the increase.

During the first nine months of FY2021, Semiconductor Integrated Systems sales rose 31% to S\$73.5 million from S\$55.9 million in the previous corresponding nine months. Component sales also surged 65% to S\$91.6 million from S\$55.4 million.

All of the Groups key geographical markets grew significantly for 9MFY2021. Malaysia and the "Others" market reported the strongest growth - clocking in triple-digit sales increases.

Profitability

3QFY2021

The Group's 3QFY2021 net profit increased 25% compared to 3QFY2020 – recording a net profit of S\$16.1 million compared to S\$12.9 million in 3QFY2020, while net profit attributable to shareholders rose 17% to S\$15.1 million during the same period. This was achieved despite higher expenses in all categories, following the consolidation of JEP's results. Personnel cost and other expenses increased by 110% and 59% respectively. Depreciation expenses also went up by 86%.

The Group's bottomline benefitted from a S\$0.6 million exchange gain which was partially offset by a \$0.15 million intangible asset amortisation from the JEP acquisition.

Gross material margin for 3QFY2021 remained stable at 54.4% compared to 55.3% in 3QFY2020. This was however higher than the 51.7% margins recorded in 2QFY2021.

9MFY2021

The Group's net profit attributable to shareholders leapt 35% to S\$47.4 million compared to S\$35.2 million in the previous corresponding nine months. Group net profit shot up 43% to S\$50.4 million.

The significant improvement in performance came on the back of higher sales, sustained gross material margins and other credits of S\$3.6 million. The other credits include a foreign exchange gain as well as the waiver of S\$3.9m debt and interest payable to UMS' CEO Mr. Andy Luong, extended by entities controlled by him to Kalf Engineering. The gain was partially offset by a S\$2.0 million loss on acquisition of JEP, following its reclassification from investment in an associate.

Income tax expense went up during 9MFY2021 as a result of higher profits recorded.

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 acquired 72,851,511 more 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\$11.3 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\$16.0 million bank borrowings during the year.

Trade and other receivables

Trade receivables and other current assets increased by S\$30.2 million. This is mainly due to the acquisition of JEP.

Inventories

The increase in inventories by S\$32.6 million was mainly attributed to the acquisition of JEP.

Trade and other payables

Trade and other payables increased by S\$21.0 million. This is mainly due to the acquisition of JEP and increased operations.

Non-current loan from related party

The loan from related party was waived during the period.

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

Interim Condensed Consolidated Cash Flow Statement

3QFY2021

The Group's financial position remains robust riding on the sustained boom in global semiconductor demand. It registered S\$16.1 million positive net cash from operating activities and S\$13.0 million free cash flow in 3QFY2021.

The Group maintained a strong cash position, despite paring down S\$9.7 million of debt and paying S\$5.3 million interim dividend to reward shareholders.

9MFY2021

For 9MFY2021, the Group generated S\$45.0 million positive net cash from operating activities and S\$38.4 million free cash flow.

Its net cash and cash equivalents (net of bank borrowings) remained healthy at S\$26.8 million compared to S\$38.1 million as at 31 December 2020.

**Other information required by Listing Rule Appendix 7.2
For the nine-month financial period ended 30 September 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 13 August 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

The acceleration of global chip demand has propelled the Group to another record-breaking performance for the nine months of FY2021. Indeed, its 9MFY2021 performance has already well surpassed its full year performance in FY2020 in terms of sales and profit.

The Group has also benefitted from its strategic diversification as its results were boosted by its subsidiaries - Catalyst-listed JEP Holdings Ltd. ("JEP") and Starke Pte Ltd. ("Starke").

JEP's recent acquisition was also very timely as the Group was able to leverage on its extensive and readily available manufacturing facilities in Singapore to support UMS' strong customer order flows - alleviating the production challenges faced in the Group's Penang campus due to the tightened COVID 19 measures implemented by the Malaysian authorities in the past two months.

This powerful momentum, driven by the explosion in global chip demand in the past months will carry the semiconductor market to substantial growth for the full year 2021 and beyond.

According to SEMI, global fab equipment spending is expected hit another record high in 2022. Driven by digital transformation and other secular technology trends, global semiconductor equipment investments for front end fabs in 2022 are expected to reach nearly US\$100 billion, after topping a projected US\$90 billion investment in 2021. The foundry sector will account for the bulk of fab equipment investments in 2022. Both DRAM and NAND are also showing large increase in 2022 with jumps in spending to US\$17 billion and US\$21 billion, respectively.¹

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.²

To take advantage of this ongoing global semiconductor boom, the Group expects to increase its production capacity by doubling its capex in FY2022. Its new Penang factory is scheduled for completion in 3QFY2022.

In addition to the strong semiconductor market outlook, the Group is also well-poised to tap the potential upswing in the aviation sector. JEP with its established track record in the aerospace industry stands to gain from the aviation industry recovery.

The 2021 Boeing Market Outlook (BMO) – Boeing's analysis of long-term market dynamics – states that commercial airplanes and services are showing signs of recovery. The BMO projects a \$9 trillion market over the next decade for aerospace products and services that Boeing addresses. The forecast is up from \$8.5 trillion a year ago, and up from \$8.7 trillion in the pre-pandemic 2019 forecast, reflecting the market's continued recovery progress.³

**Other information required by Listing Rule Appendix 7.2
For the nine-month financial period ended 30 September 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)

While these trends augur well for the Group, the Board will continue to stay vigilant and prudent and take all the necessary precautions to tackle the challenges posed by the ongoing COVID 19 contagion to safeguard the health and well-being of our people and maintain the high standards of safety and efficiency of our operations.

In view of the Group's robust 3Q results, the Board has proposed a 1 cent interim dividend to reward shareholders.

Barring any unforeseen circumstances, the Group's growth prospects ahead remain bright.

[¹Source: Global fab equipment spending to hit another record high in 2022, says SEMI: <https://www.digitimes.com/news/a20210915PR201.html>]

[²Source: Semiconductor Manufacturing Equipment Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026: <https://www.imarcgroup.com/semiconductor-manufacturing-equipment-market/>]

[³Source: Boeing forecasts \$9 trillion aerospace market opportunities in commercial, defense and services over next decade: <https://www.prnewswire.com/news-releases/boeing-forecasts-9-trillion-aerospace-market-opportunities-in-commercial-defense-and-services-over-next-decade-301376015.html>]

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)	0.5 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

c. Date payable

17 December 2021.

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

d. Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 3 December 2021, for the purpose of determining members' entitlements to the Third 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 2 December 2021 will be registered before entitlement to the Third Interim Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 December 2021 will be entitled to the Third 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 nine-month financial period ended 30 September 2021 is disclosed below

		9 Months Period Ended 30 September 20
Name of interested person	Nature of Relationship	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)
		S\$'000
Sure Achieve Consultant Pte Ltd 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 September 2021 amounted to S\$1,700,000 which represents approximately 0.99% of the Group's latest audited net tangible assets as at 31 December 2020.	1,700

**Other information required by Listing Rule Appendix 7.2
For the nine-month financial period ended 30 September 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 3Q2021 and the period ended 30 September 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**

12 November 2021