



Company Registration No. 200100340R

UMS Holdings Limited and its subsidiaries

Unaudited Condensed Interim Financial Statements
For the Three Months and Full Year Ended 31 December 2021

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**Condensed interim consolidated income statement
For the three months and full year ended 31 December 2021**

	Group					
	4Q			12 Months Ended		
	31-Dec-21	31-Dec-20	Change	31-Dec-21	31-Dec-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	87,251	44,094	98%	271,220	164,438	65%
Net finance expense (Note 6.1)	(214)	(137)	56%	(750)	(397)	89%
Changes in inventories	(15,272)	1,864	N.M	16,373	2,192	647%
Raw material purchases and subcontractor charges	(26,540)	(22,387)	19%	(144,509)	(79,046)	83%
Employee benefits expense	(11,310)	(5,935)	91%	(35,261)	(19,362)	82%
Depreciation expense	(4,273)	(2,017)	112%	(12,425)	(7,701)	61%
Other expenses (Note 6.2)	(4,849)	(3,073)	58%	(16,795)	(11,500)	46%
Other (charges) / credits (Note 6.3)	(2,409)	(9,696)	-75%	1,185	(9,819)	N.M
Share of profit of associate	-	(2,065)	-100%	361	89	306%
Profit before income tax	22,384	648	3354%	79,399	38,894	104%
Income tax expense (Note 7)	(15,173)	392	N.M	(21,817)	(2,601)	739%
Net profit for the year from continuing operations	7,211	1,040	593%	57,582	36,293	59%
Profit attributable to:						
Owners of the parent	5,686	1,260	351%	53,103	36,471	46%
Non- controlling interest	1,525	(220)	N.M	4,479	(178)	N.M
	7,211	1,040	593%	57,582	36,293	59%
Earnings per share attributable to owners of the Company (cents per share)						
Basic	0.85	0.19		7.96	5.46	
Diluted	0.85	0.19		7.96	5.46	

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statement of comprehensive income
As at 31 December 2021

	Group					
	4Q			12 Months Ended		
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %
Net Profit for the year	7,211	1,040	593%	57,582	36,293	59%
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	33	428	-92%	(938)	360	N.M
Total comprehensive income for the year	7,244	1,468	393%	56,644	36,653	55%
Attributable to:						
Equity holders of the Company	5,677	1,448	292%	52,121	36,611	42%
Non- controlling interests	1,567	20	7735%	4,523	42	10669%
	7,244	1,468	393%	56,644	36,653	55%

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statement of financial position

As at 31 December 2021

	Group		Company	
	31-Dec-2021 S\$'000	31-Dec-2020 S\$'000	31-Dec-2021 S\$'000	31-Dec-2020 S\$'000
ASSETS				
Current Assets				
Cash and bank balances	65,086	53,787	6,273	438
Trade receivables and other current assets	67,177	23,477	12,411	14,863
Financial assets through profit and loss	322	-	322	-
Loan to subsidiary	-	-	6,337	7,274
Inventories	87,110	53,938	-	-
Total Current Assets	219,695	131,202	25,343	22,575
Non-Current Assets				
Investment in subsidiaries	-	-	260,459	192,448
Property, plant and equipment (Note 12)	116,661	56,318	-	-
Right-of-use assets	10,114	4,755	-	-
Investment property (Note 13)	1,657	1,748	-	-
Investment in associate	-	35,360	-	35,360
Intangible assets (Note 11)	88,551	80,083	-	-
Deferred tax assets	76	71	-	-
Total Non-Current Assets	217,059	178,335	260,459	227,808
Total Assets	436,754	309,537	285,802	250,383
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 14)	11,601	15,710	2,500	-
Trade and other payables	56,079	25,356	60,915	30,937
Loan from related parties (Note 14)	1,403	1,403	-	-
Lease liabilities	1,179	259	-	-
Income tax payable	19,152	3,456	-	26
Total Current Liabilities	89,414	46,184	63,415	30,963
Non Current Liabilities				
Bank borrowings (Note 14)	22,685	-	-	-
Loan from related parties (Note 14)	-	3,835	-	-
Deferred tax liabilities	9,818	1,908	-	-
Long-term provision*	404	405	-	-
Lease liabilities	10,159	4,256	-	-
Total Non-Current Liabilities	43,066	10,404	-	-
Total Liabilities	132,480	56,588	63,415	30,963
Capital and Reserves				
Share Capital (Note 15)	136,623	136,623	136,623	136,623
Treasury shares (Note 15.1)	(2,064)	(1,919)	(1,919)	(1,919)
Reserves	(11,665)	(10,683)	-	-
Retained earnings	153,445	127,265	87,683	84,716
	276,339	251,286	222,387	219,420
Non-controlling interest	27,935	1,663	-	-
Total Equity	304,274	252,949	222,387	219,420
Total Liabilities and Equity	436,754	309,537	285,802	250,383

* Provision for reinstatement of leased premises.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of changes in equity
For the three months and full year ended 31 December 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
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 loss for the period- Exchange differences on translation of foreign operations	-	-	(489)	-	(489)	(359)	(848)
Total comprehensive (loss)/ 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
Changes in equity for fourth quarter							
Net profit for the period	-	-	-	5,686	5,686	1,525	7,211
Other comprehensive (loss)/ income for the period - Exchange differences on translation of foreign operations	-	-	(9)	-	(9)	42	33
Total comprehensive (loss)/ income for the quarter	-	-	(9)	5,686	5,677	1,567	7,244
Dividend paid	-	-	-	(12,002)	(12,002)	-	(12,002)
Purchase of treasury shares by a subsidiary	-	(67)	-	-	(67)	-	(67)
Effect on non-controlling interest on acquisition of a subsidiary	-	-	-	(187)	(187)	(650)	(837)
As at 31 December 2021	136,623	(2,064)	(11,665)	153,445	276,339	27,935	304,274

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of changes in equity
For the three months and full year ended 31 December 2021

Group	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
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/ (loss) for the period	-	-	-	11,568	11,568	(5)	11,563
Other comprehensive (loss)/ income for the period- Exchange differences on translation of foreign operations	-	-	(726)	-	(726)	100	(626)
Total comprehensive (loss)/ 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
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>
Changes in equity for fourth quarter							
Net profit/ (loss) for the period	-	-	-	1,260	1,260	(220)	1,040
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	188	-	188	240	428
Total comprehensive income for the quarter	-	-	188	1,260	1,448	20	1,468
Dividend paid	-	-	-	(8,001)	(8,001)	-	(8,001)
As at 31 December 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,683)</u>	<u>127,265</u>	<u>251,286</u>	<u>1,663</u>	<u>252,949</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

**Condensed interim statements of changes in equity
For the three months and full year ended 31 December 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 loss for the period	-	-	(2,503)	(2,503)
Total comprehensive income for the quarter	-	-	(2,503)	(2,503)
Dividend paid	-	-	(5,335)	(5,335)
As at 30 September 2021	136,623	(1,919)	91,304	226,008
Changes in equity for fourth quarter				
Net profit for the period	-	-	8,381	8,381
Total comprehensive loss for the quarter	-	-	8,381	8,381
Dividend paid	-	-	(12,002)	(12,002)
As at 31 December 2021	136,623	(1,919)	87,683	222,387

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Condensed interim statements of changes in equity
For the three months and full year ended 31 December 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 loss 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
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
Dividend paid	-	-	(18,670)	(18,670)
As at 30 September 2020	136,623	(1,919)	77,873	212,577
Changes in equity for fourth quarter				
Net profit for the period	-	-	14,844	14,844
Total comprehensive income for the quarter	-	-	14,844	14,844
Dividend paid	-	-	(8,001)	(8,001)
As at 31 December 2020	136,623	(1,919)	84,716	219,420

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim consolidated cash flow statement
For the three months and full year ended 31 December 2021

	Group			
	4Q		12 Months Ended	
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	31-Dec-21 S\$'000	31-Dec-20 S\$'000
Cash flows from operating activities				
Profit before income tax	22,384	648	79,399	38,894
Adjustments for:				
Depreciation expense	4,273	2,017	12,425	7,701
Loss on deemed disposal of an associate	-	-	2,015	-
Waiver of loans from a related party	(16)	-	(3,904)	-
Write back provision for doubtful debts (non-trade)	5	-	(2)	-
Property, plant and equipment written off	-	61	19	61
Loss allowance for non-trade debts	(13)	372	(13)	372
Allowance for project loss	3	-	729	-
Bad debts written off (trade)	37	16	37	16
Impairment loss on goodwill	-	1,128	-	1,128
Impairment loss on investment in an associate	-	5,900	-	5,900
(Write back)/Allowance for inventories obsolescence	(2,667)	291	(2,344)	972
(Gain)/Loss on disposal of property, plant and equipment	(15)	275	(5)	89
Interest income	(68)	(33)	(184)	(200)
Interest expense	288	170	940	597
Inventories written off	3,303	-	3,303	-
Amortisation of intangible assets	50	-	200	-
Share of profit of associate	-	2,065	(361)	(89)
Fair value gain on financial assets through profit and loss	(7)	-	(7)	-
Fair value adjustment on inventories arising from acquisition of a subsidiary	2,000	-	2,000	-
Unrealised foreign exchange (gain)/loss	(43)	2,602	(318)	1,753
Operating cash flows before working capital changes	29,514	15,512	93,929	57,194
Changes in working capital:				
Trade receivables and other current assets	(14,117)	5,797	(29,966)	(2,308)
Inventories	(3,167)	(2,123)	(17,383)	(3,139)
Trade and other payables	9,727	5,767	23,966	6,756
Cash generated from operations	21,957	24,953	70,546	58,503
Income tax paid	(837)	(1,014)	(4,470)	(2,123)
Net cash generated from operating activities	21,120	23,939	66,076	56,380
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	80	53	183	245
Purchase of property, plant and equipment	(3,399)	(9,827)	(9,977)	(11,588)
Improvement to investment property	-	(50)	(65)	(66)
Acquisition of shares	(315)	-	(315)	-
Additional investment in a subsidiary	(744)	-	(744)	-
Net cash outflow on acquisition of a subsidiary	-	-	(10,198)	-
Investment in associate	-	(667)	-	(1,774)
Interest received	68	33	184	200
Net cash used in investing activities	(4,310)	(10,458)	(20,932)	(12,983)

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim consolidated cash flow statement
For the three months and full year ended 31 December 2021

	Group			
	4Q		12 Months Ended	
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	31-Dec-21 S\$'000	31-Dec-20 S\$'000
Cash flows from financing activities				
Repayment of bank borrowings	(1,177)	(7,000)	(33,634)	(10,700)
Proceeds from bank borrowings	8,500	9,492	25,000	16,904
Repayment of lease liabilities	(490)	(140)	(1,491)	(512)
Purchase of treasury shares	(68)	-	(146)	(1,919)
Dividend paid	(12,002)	(8,001)	(22,671)	(26,671)
Interest paid	(161)	(42)	(519)	(106)
Net cash used in financing activities	(5,398)	(5,691)	(33,461)	(23,004)
Net increase in cash and cash equivalents	11,412	7,790	11,683	20,393
Net effect of exchange rate changes	(52)	(1,736)	(384)	(970)
Cash and cash equivalents at beginning of the period	53,726	47,733	53,787	34,364
Cash and cash equivalents at end of the period	65,086	53,787	65,086	53,787

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 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 condensed financial statements for the three month and full year ended 31 December 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 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 (“Annual Report 2020”), 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 three months and full year ended 31 December 2021

2. Basis of preparation (cont'd)

2.3 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 31 December 2021 amounted to S\$116,661,000 (Dec 2020: S\$56,318,000) and S\$1,657,000 (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.

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.

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Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

2. Basis of preparation (cont'd)

2.2 Use of judgements and estimates (cont'd)

(a) 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.

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 three months and full year ended 31 December 2021

4.1 Revenue by Business Segments and Geographical Areas

Revenue

12 Months 2021 vs 2020

	Group		
	12 Months Ended		
	31-Dec-21	31-Dec-20	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	242,620	153,022	59%
Aerospace	9,952	-	N.M.
Others	18,648	11,416	63%
	<u>271,220</u>	<u>164,438</u>	<u>65%</u>
Geographical Regions			
Singapore	189,914	112,495	69%
United States of America ('US')	31,481	21,836	44%
Taiwan	27,990	24,232	16%
Malaysia	11,517	4,097	181%
Others	10,318	1,778	480%
	<u>271,220</u>	<u>164,438</u>	<u>65%</u>

Revenue

4Q2021 vs 4Q2020

	Group		
	3 Months Ended		
	31-Dec-21	31-Dec-20	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	77,444	41,731	86%
Aerospace	3,921	-	N.M.
Others	5,886	2,363	149%
	<u>87,251</u>	<u>44,094</u>	<u>98%</u>
Geographical Regions			
Singapore	62,132	30,249	105%
United States of America ('US')	8,646	4,761	82%
Taiwan	7,644	7,497	2%
Malaysia	4,416	1,171	277%
Others	4,413	416	961%
	<u>87,251</u>	<u>44,094</u>	<u>98%</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements
For the three months and full year ended 31 December 2021

4.2 Business Segments

	Semiconductor		Aerospace		Others		Total	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12 Months Ended 31 December 2021								
Group								
Sales to external parties	242,620	153,022	9,952	-	18,648	11,416	271,220	164,438
Segment results	71,461	45,491	366	-	7,572	(6,597)	79,399	38,894
Material non-cash items include:								
Depreciation expense	10,473	7,311	1,378	-	574	390	12,425	7,701
Waiver of loans from related party	-	-	-	-	(3,904)	-	(3,904)	-
Allowance for project loss	-	-	-	-	729	-	729	-
(Write back)/Allowance for inventories								
obsolescence	(2,702)	970	358	-	-	2	(2,344)	972
Loss on deemed disposal of an associate	2,015	-	-	-	-	-	2,015	-
Loss/(gain) on disposal of property, plant and equipment	52	89	(52)	-	(5)	-	(5)	89
Fair value adjustment on inventories arising from acquisition of a subsidiary	200	-	1,300	-	500	-	2,000	-
Disaggregation of revenue								
At a point in time - sales of goods	242,226	153,022	9,952	-	18,648	11,416	270,826	164,438
Over time - rental income	394	-	-	-	-	-	394	-
Total revenue	242,620	153,022	9,952	-	18,648	11,416	271,220	164,438
Total assets								
Group								
31-Dec-21 30-Dec-20								
S\$'000 S\$'000								
Total assets for reportable segments	762,261	535,399						
Elimination of inter-segment assets	(325,507)	(225,862)						
Total assets	436,754	309,537						
Total liabilities								
Group								
31-Dec-21 30-Dec-20								
S\$'000 S\$'000								
Total liabilities for reportable segments	270,024	151,075						
Elimination of inter-segment liabilities	(137,544)	(94,487)						
Total liabilities	132,480	56,588						

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements
For the three months and full year ended 31 December 2021

4.3 Geographical Segments

Group	Singapore		USA		Taiwan		Malaysia		Others		Total	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
12 Months Ended 31 December 2021												
Group												
Sales to external parties	189,914	112,495	31,481	21,836	27,990	24,232	11,517	4,097	10,318	1,778	271,220	164,438
Other geographical information:												
Non-current assets:												
Property, plant and equipment	78,188	16,160	61	75	-	-	38,412	40,083	-	-	116,661	56,318
Investment property	1,657	1,748	-	-	-	-	-	-	-	-	1,657	1,748
Investment in an associate	-	35,360	-	-	-	-	-	-	-	-	-	35,360
Intangible assets	87,627	78,497	924	1,586	-	-	-	-	-	-	88,551	80,083
Right-of-use assets	9,555	4,263	330	462	-	-	229	30	-	-	10,114	4,755

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 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 31 December 2021 and 31 December 2020:

	Group		Company	
	31-Dec-21	31-Dec-20	31-Dec-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)	57,067	21,094	12,701	14,863
Loan to subsidiary	-	-	6,337	7,274
Cash and bank balances	65,086	53,787	6,273	438
	122,153	74,881	25,311	22,575
<u>Financial liabilities</u>				
Bank borrowings	34,286	15,710	2,500	-
Loans from related parties	1,403	1,403	-	-
Trade and other payables (excluding contract liabilities)	46,821	22,029	60,915	30,937
Lease liabilities	11,338	4,515	-	-
	93,848	43,657	63,415	30,937

6. Profit before tax

6.1 Net finance expense

	Group					
	4Q			12 Months Ended		
	31-Dec-21	31-Dec-20	Change	31-Dec-21	31-Dec-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Group						
<u>Interest income</u>						
- from cash and cash equivalents	68	33	106%	184	200	-8%
<u>Interest expense</u>						
- on lease liabilities and hire purchases	(122)	(59)	107%	(410)	(217)	89%
- on bank borrowings	(151)	(42)	260%	(489)	(106)	361%
- on loans from related parties	(9)	(69)	-87%	(35)	(274)	-87%
Net finance expense	(214)	(137)	56%	(750)	(397)	89%

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

6. Profit before tax (cont'd)

6.2 Other expenses:

	Group					
	4Q			12 Months Ended		
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %
Legal and professional fees	(790)	(660)	20%	(3,270)	(2,311)	41%
Utilities	(1,400)	(976)	43%	(4,787)	(3,705)	29%
Freight charges	(599)	(209)	187%	(1,822)	(858)	112%
Insurance	(190)	(94)	102%	(608)	(416)	46%
Upkeep of properties and equipment	(328)	(77)	326%	(1,068)	(503)	112%
Upkeep of machinery	(752)	(566)	33%	(2,378)	(1,947)	22%
Others	(790)	(491)	61%	(2,862)	(1,760)	63%
	(4,849)	(3,073)	58%	(16,795)	(11,500)	46%

6.3 Other Credits / (Charges)

	Group					
	4Q			12 Months Ended		
	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %	31-Dec-21 S\$'000	31-Dec-20 S\$'000	Change %
Foreign exchange (loss)/gain - net	(458)	(1,762)	-74%	1,971	(2,058)	N.M
Gain/(Loss) on disposal of property, plant and equipment	15	(275)	N.M	5	(89)	N.M
Property, plant & equipment written off	(19)	(61)	-69%	(19)	(61)	-69%
Loss allowance for non-trade debts	13	(372)	N.M	13	(372)	N.M
Bad debts written off (trade)	(37)	(16)	131%	(37)	(16)	131%
Impairment loss on goodwill	-	(1,128)	-100%	-	(1,128)	N.M
Impairment loss on investment in an associate	-	(5,900)	-100%	-	(5,900)	N.M
Inventories written off	(3,303)	-	N.M	(3,303)	-	N.M
Write back / (Allowance) for stock obsolescence	2,667	(291)	N.M	2,344	(972)	N.M
Allowance for project loss	(3)	-	N.M	(729)	-	N.M
Amortisation of intangible assets	(50)	-	N.M	(200)	-	N.M
Loss on deemed disposal of an associate	-	-	0%	(2,015)	-	N.M
Waiver of loans from a related party	16	-	N.M	3,904	-	N.M
Fair value adjustment on inventories arising from acquisition of a subsidiary	(2,000)	-	N.M	(2,000)	-	N.M
Others	750	109	588%	1,251	777	61%
	(2,409)	(9,696)	-75%	1,185	(9,819)	N.M

6.4 Related Party Transactions

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

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

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					
	4Q			12 Months Ended		
	31-Dec-21	31-Dec-20	Change	31-Dec-21	31-Dec-20	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(7,533)	392	N.M	(14,287)	(2,601)	449%
- Prior years	(7,640)	-	N.M	(7,530)	-	N.M
	(15,173)	392	N.M	(21,817)	(2,601)	739%

8. Dividends

	Group and Company	
	31-Dec-21	31-Dec-20
Cash dividend on ordinary shares declared and paid/payable		
Interim dividend	17,337	13,335
Final dividend	13,336	5,334
Total	30,673	18,669

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	
	31-Dec-21	31-Dec-20	31-Dec-21	31-Dec-20
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	41.44 cents	47.11 cents	33.35 cents	41.13 cents
Total number of issued shares (excluding treasury shares)	666,785,941	533,429,579	666,785,941	533,429,579

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 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 three months and full year ended 31 December 2021

11. Intangible assets

	Group		
	Goodwill	Customer Relationship	Total
	S\$'000	S\$'000	S\$'000
Cost:			
At 1 January 2021	82,201	-	82,201
Acquisition of a subsidiary	6,268	2,400	8,668
At 31 Dec 2021	88,469	2,400	90,869
Accumulated amortisation			
At 1 January 2021	-	-	-
Amortisation for the year	-	(200)	(200)
At 31 Dec 2021	-	(200)	(200)
Accumulated impairment			
At 1 January 2021	(2,118)	-	(2,118)
Impairment for the year	-	-	-
At 31 Dec 2021	(2,118)	-	(2,118)
Net book value:			
At 31 Dec 2020	80,083	-	80,083
At 31 Dec 2021	86,351	2,200	88,551

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 year, the Group acquired assets amounting to S\$9,977,000 (31.12.2020: S\$11,588,000) respectively. The Company did not acquire any assets during financial year 31 Dec 2021 and 31 Dec 2020.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

13. Investment property

	Group	
	31-Dec-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	156	150
Disposal/Written-off	-	(819)
At the end of the year	2,441	2,285
<u>Net book value</u>		
At the end of the year	1,657	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 three months and full year ended 31 December 2021

14. Borrowings and Loan from Related Parties

	Group		Company	
	31-Dec-21	30-Dec-20	31-Dec-21	31-Dec-20
	S\$'000	S\$'000	S\$'000	
Secured				
Term loans – non-current (a)	22,685	-	-	-
Term Loans – current (a)	3,101	-	-	-
	25,786	-	-	-
Unsecured				
Short term bank loan - current (b)	8,500	15,710	2,500	-
Loan from related parties				
- Current (c)	1,403	1,403	-	-
- Non-current (d)	-	3,835	-	-
	1,403	5,238	-	-
	35,689	20,948	2,500	-

- (a) Secured term loans amounting to S\$25.8 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 financial year ended 31 December 2021 (Note 6.3).

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements
For the three months and full year ended 31 December 2021

15. Share Capital

	31-Dec-21		31-Dec-20	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
Group and Company				
Issued and fully paid:				
At the beginning of the year	536,429,579	136,623	536,429,579	136,623
Bonus shares issue	134,106,362	-	-	-
At the end of the year	<u>670,535,941</u>	<u>136,623</u>	<u>536,429,579</u>	<u>136,623</u>

15.1 Treasury shares

	31-Dec-21		31-Dec-20	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
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 year	664,837	145,000	-	-
Bonus shares issue	750,000	-	-	-
At the end of the year	<u>4,414,837</u>	<u>2,064,000</u>	<u>3,000,000</u>	<u>1,919,000</u>
Company				
At the beginning of the year	3,000,000	1,919,000	-	-
Purchase during the year	-	-	3,000,000	1,919,000
Bonus shares issue	750,000	-	-	-
At the end of the year	<u>3,750,000</u>	<u>1,919,000</u>	<u>3,000,000</u>	<u>1,919,000</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

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.

In 4Q 2021, the Group acquired additional 2,727,300 shares in JEP from the open market and increase its ownership of JEP to 72.21%.

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.

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)

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 2021

16. Acquisition of a subsidiary (cont'd)

Impact of acquisition on the results of the Group

From the date of acquisition on 30 April 2021 to the financial year ended 31 December 2021, JEP has contributed a total revenue of approximately S\$55,962,000 and a net gain for the year of approximately S\$6,967,000 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\$178,871,000 and the profit for the year would have been S\$41,210,000. 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	<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>

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

	S\$'000
Consideration paid for acquisition of non-controlling interests	743
Decrease in equity attributable to non-controlling interests	<u>(556)</u>
Decrease in equity attributable to owner of the Company	<u><u>187</u></u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements For the three months and full year ended 31 December 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 31 December 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 twelve-month financial year ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

2. Review of performance of the Group

Condensed Consolidated Statement of Profit or Loss and other comprehensive Income

Revenue

4QFY2021

Group revenue continued to accelerate reaching an all-time high of S\$87.3 million - a 98% jump as compared to S\$44.1 million in the previous corresponding quarter. Compared to 3QFY2021, sales surged about 29% - mainly driven by the sustained strong semiconductor sales growth.

All the Group's core business segments (ie Semiconductors, Aerospace and Others comprising water treatment solutions and trading of non-ferrous metal alloys and cutting tools) - continue to deliver strong results.

Semiconductor revenue leapt 86% to S\$77.4 million compared to S\$41.7 million in 4QFY2020, as the Group continued to benefit from the global wafer fabs' robust capex during the period under review. Semiconductor Integrated System revenue jumped 42% from S\$21.7 million in 4Q2020 to S\$30.7 million in 4Q2021 while component sales clocked a record 134% surge from S\$20.0 million in 4Q2020 to S\$46.9 million in 4Q2021. The sharp rise in component sales is attributed to the growth of UMS' semicon component business, higher capacity utilization of the enlarged group's facilities as well as consolidation of JEP's semicon component business.

Sales from the Group's "Others" segment (comprising the Group's subsidiaries mainly Starke's (“Starke”) material distribution, Kalf Engineering and JEP Industrades' tooling distribution business) shot up 149% to S\$5.9 million compared to S\$2.4 million in 4QFY2020.

On a sequential basis, compared to 3QFY2021, all its core business segments delivered double-digit growth. Semiconductor and Aerospace segment sales jumped by 30% and 25% respectively. Others segment grew 22%.

All the Group's key geographical markets grew in 4QFY2021. Singapore, Malaysia and Others (mainly People's Republic of China, Hong Kong and South Korea) were the star performers - registering triple-digit gains - 105%, 277% and 961% respectively. Sales to the US rose 82% while sales to Taiwan increased 2%.

Sales in Singapore rose on the back of higher Integrated System sales and component sales as well as the impact of consolidation of JEP's semicon component business.

The robust revenue boost in Malaysia and "Others" markets came mainly from Starke's material distribution business as well as the consolidation of JEP's aerospace and tooling distribution sales.

Revenue to the US climbed on higher component sales for new equipment and consolidation of JEP's aerospace revenue.

Higher sales of component spares helped lift sales to Taiwan.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 2021**

FY2021

Sales in all of the Group's core business segments grew substantially - as it logged its biggest-ever annual revenue - surpassing S\$250 million for the very first time.

Group revenue soared 65% to hit another record in FY2021 - reaching S\$271.2 million - driven mainly by the sustained semiconductor boom worldwide and the Group's successful integration of Catalyst-listed JEP Holdings Ltd in 2QFY2021.

Compared to FY2020, semicon sales went up 59% while revenue in Others segment leapt 63%. Aerospace contributed about S\$10 million in sales.

Semiconductor Integrated System sales grew to S\$104.2 million in FY2021 - up 34% from S\$77.6 million in FY2020. Component sales also shot up 84% to S\$138.5 million in FY2021 from S\$75.5 million in FY2020.

All of the Groups key geographical markets grew significantly in FY2021.

Malaysia and the "Others" market reported the strongest growth - clocking in triple-digit sales increases. Compared to FY2020, revenue in Malaysia grew 181% and revenue in Others markets vaulted 480% in FY2021.

Sales in Singapore, US and Taiwan rose 69%, 44% and 16% respectively.

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

Profitability

4QFY2021

The Group's 4QFY2021 pre-tax profit escalated 3354% to S\$22.4 million from S\$0.65 million in 4QFY2020, while net profit shot up 593% to S\$7.2 million and net profit attributable to shareholders rose 351% to S\$5.7 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 91% and 58% respectively. Depreciation expenses also went up by 112%.

Income tax expenses too went up substantially to S\$15.2 million (from -S\$0.4 million in 4QFY2020). While the Group incurred higher taxes arising from higher profits, it had to make higher tax provisions for its Malaysian subsidiaries. The pioneer tax incentives for one of its Malaysian companies had expired during the year while the other Malaysian subsidiary was unable to comply with the stipulated % of local employee criteria (due to ongoing labour crunch in Penang) to achieve the pioneer tax incentive.

The Group's bottom line however benefitted from a decline in other charges in 4QFY2021. This was mainly due to the absence of one-off items recorded in 4Q2020; \$5.9 million impairment on its investment in JEP Holdings Ltd, and \$1.1 million goodwill impairment of arising from the acquisition of Kalf Engineering Pte Ltd.

The Group also cut its foreign exchange losses by \$1.3 million.

Gross material margin for 4QFY2021 remained relatively stable at 52.1% compared to 53.5% in 4QFY2020.

FY2021

In terms of full year profitability, the Group delivered another record-breaking performance.

The Group's net profit attributable to shareholders soared 46% to an all-time high of S\$53.1 million compared to S\$36.5 million in FY2020. Group net profit shot up 59% to S\$57.6 million while pre-tax profit surged 104% to S\$79.4 million from S\$38.9 million in FY2020.

Gross material margins in FY2021 remained stable at 52.8% compared to 53.3% in FY2020. The significant improvement in the Group's bottom line came on the back of record sales, sustained gross material margins and other credits of S\$1.2 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 accounting loss on acquisition of JEP, following its reclassification from investment in an associate and a S\$2.0 million fair value adjustment on inventories arising from the acquisition of JEP Holding Ltd.

The record profit performance was achieved despite higher expenses. Employee costs, depreciation and other expenses went up 82%, 61% and 46% respectively.

Income tax expense also jumped 739% in FY2021 as a result of higher profits as well as higher tax provisions for the Group's Malaysian entities which did not benefit from pioneer incentives as stated above.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 2021**

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

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.

In 4Q 2021, the Group acquired additional 2,727,300 shares in JEP from the open market and increase its ownership of JEP to 72.21%.

Cash and Bank Balances / Bank borrowings

The net decrease in cash and cash equivalents by S\$7.3 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 some bank borrowings during the year.

Trade and other receivables

Trade receivables and other current assets increased by S\$43.7 million. This is mainly due to the acquisition of JEP.

Inventories

The increase in inventories by S\$33.2 million was mainly attributed to the acquisition of JEP.

Trade and other payables

Trade and other payables increased by S\$30.7 million. This is mainly due to the acquisition of JEP and higher productions.

Non-current loan from related party

The loan from related party was waived during the financial year.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 2021**

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

Condensed Consolidated Cash Flow Statement

4QFY2021

The Group's financial position stayed healthy - registering S\$21.1 million positive net cash from operating activities and S\$17.8 million free cash flow in 4QFY2021. Compared to 4QFY2020, free cashflow grew S\$3.6 million or 25%.

The Group's cash position remains strong even after investing in higher working capital to support the robust growth in business as well as paying a total of S\$12 million in interim dividend to reward shareholders.

FY2021

The Group generated record cash from operations in FY2021.

Net cash from operating activities surpassed S\$60 million for the first time to reach S\$66.1 million (vs S\$56.4 million in FY2020)

Free cash flow also hit a new record of S\$56.2 million (vs S\$45 million in FY2020)

Net cash and cash equivalents (net of bank borrowings) remained healthy at S\$30.8 million at 31 December 2021 compared to S\$38 million as at 31 December 2020.

The Group's cash and bank balances as well as bank borrowings include JEP's consolidation.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 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 12 November 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 Group's performance in FY2021 was outstanding with record revenue and profit.

The exceptional surge was driven by sustained acceleration of global chip demand as well as the increasing capex of semiconductor fabs worldwide.

The Group also benefitted from its timely acquisition of Catalist-listed JEP Holdings. With its readily available manufacturing facilities in Singapore, JEP was able to support UMS' strong customer order flows - alleviating the production challenges faced in the Group's Penang campus due to the manpower crunch in Malaysia during the year.

The Group's order forecasts remain strong as its key customer has recently given positive guidance for FY2022. The strong momentum for its semiconductor systems continue to increase and it expects this strength to sustain into 2022

New smart devices and innovative tech solutions as well as Artificial Intelligence ("AI") are elevating computing power to new heights. Digital acceleration of global economies arising from the ongoing virus pandemic will continue to escalate chip production worldwide.

World Semiconductor Trade Statistics (WSTS) also predicted that the global semiconductor market will grow by 8.8 percent in 2022, to US\$ 601 billion, driven by double-digit growth of the sensors and logic category. All regions and all product categories are expected to continue positive growth.¹

According to SEMI, global total semiconductor manufacturing equipment market will expand to \$114 billion by 2022. Both the front-end (wafer fab) and back-end (assembly/packaging and test) semiconductor equipment segments are contributing to the global expansion.

The wafer fab equipment segment, which includes wafer processing, fab facilities, and mask/reticle equipment, is projected to expand 43.8 percent to a new industry record of \$88 billion in 2021, followed by a 12.4 percent increase in 2022 to approximately \$99 billion.²

IC Insights has also given a bullish outlook as it expects total semiconductor sales to grow 11% in 2022 to reach another record high of US\$680.6 billion.³

The Group's new Penang factory is scheduled for completion by end 2022. This will increase current production capacity substantially and position the Group well to take on new orders from potential new customers which are expanding in South-east Asia.

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.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 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)

The global aerospace market is expected to rebound - growing from US\$328 billion in 2021 to \$430.9 billion in 2025 at a rate of about 7%. It is forecast to expand further at a CAGR of 5.9% from 2025 and reach \$573.6 billion in 2030.⁴

According to Deloitte- OEM production rates are expected to ramp up, especially for narrow-body aircraft. Broader global distribution of vaccines in 2022 should lead to higher levels of international travel as restrictions are eased and lifted, which should translate into higher demand for new wide-body aircraft. This should result in some new large orders from airlines.⁵

While these trends bode well for the Group, the Board will stay vigilant and prudent and take all the necessary precautions to safeguard the health and well-being of our people and maintain the high standards of safety and efficiency of our operations. The Group will also work closely with its key customer to overcome near-term supply chain challenges.

In view of the Group's exceptional results and the completed investment in JEP, the Board has proposed doubling the final dividend to 2 cents instead of a 1 cent final dividend (announced in 4QFY2020) to reward shareholders.

Barring any unforeseen circumstances, the Group maintains a bullish outlook for the year ahead.

[¹Source: Global semiconductor industry forecasts for 2022:
<https://www.digitimes.com/news/a20211229VL205.html>]

[²Source: Global semiconductor manufacturing equipment sales on track to exceed \$100 billion in 2021 for first time - <https://roboticsandautomationnews.com/2021/12/28/global-semiconductor-equipment-sales-on-track-to-exceed-100-billion-in-2021-for-first-time/47888/>]

[³Source: 2022 Semiconductor Sales to Grow 11% After Surging 25% in 2021 - <https://www.icinsights.com/news/bulletins/2022-Semiconductor-Sales-To-Grow-11-After-Surging-25-In-2021/>]

[⁴Source: Global Aerospace Outlook - <https://finance.yahoo.com/news/global-aerospace-market-outlook-2021-080800824.html> and Global aerospace markets expect to grow from US\$328 billion in 2021 to US\$431 billion in 2025 – https://www.researchandmarkets.com/reports/5240238/aerospace-global-market-report-2021-covid-19?utm_source=GNOM&utm_medium=PressRelease&utm_code=z1749j&utm_campaign=1586062+-+Global+Aerospace+Market+Outlook+20212030%3a+Growing+Demand+for+Commercial+Use+of+Drones%2c+Emerging+Economies+and+Rapid+Technological+Advances&utm_exec=cari18prd]

[⁵Source : Deloitte : 2022 aerospace and defense industry outlook - <https://www2.deloitte.com/content/dam/Deloitte/us/Documents/manufacturing/us-eri-outlooks-2022-aerospace-defense.pdf>]

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 2021**

5. Dividend information

a. Current Financial Period Reported on

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

Name of Dividend	Proposed Final Dividend
Dividend Type	Cash
Dividend Amount (SGD)	2.0 cents 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	Proposed Final Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

c. Date payable

The Proposed Final Dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 20 May 2022.

d. Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 May 2022, for the purpose of determining members' entitlements to the Proposed Final Dividend of 2.0 cent per ordinary share (tax-exempt one-tier) for the financial year ended 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 5 May 2022 will be registered before entitlement to the Proposed Final Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 5 May 2022 will be entitled to the Proposed Final Dividend.

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 2021**

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 twelve-month financial year ended 31 December 2021 is disclosed below

		12 Months Period Ended 31 December 2021
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 amounted to S\$2,200,000 which represents approximately 1.28% of the Group's latest audited net tangible assets as at 31 December 2020.	2,220

**Other information required by Listing Rule Appendix 7.2
For the three months and full year ended 31 December 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 4Q2021 and the year ended 31 December 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**

28 February 2022