

UMS HOLDINGS LIMITED
(Company Registration Number 200100340R)
(Incorporated in the Republic of Singapore)

**RESPONSES TO QUESTIONS FROM THE SECURITIES INVESTORS ASSOCIATION
(SINGAPORE) IN RELATION TO THE ANNUAL GENERAL MEETING TO BE HELD ON
26 APRIL 2023**

The Board of Directors of UMS Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the notice of annual general meeting (“**AGM**”) released by the Company via SGXNet on 6 April 2023 in relation to the Company’s AGM to be held on 26 April 2023 at 10.00 a.m..

The Company would like to provide responses to questions received from the Securities Investors Association (Singapore) (“**SIAS**”) ahead of the AGM as follow. The Company did not receive any questions from shareholders as at the deadline stated in the notice of the AGM.

1. Question 1

As noted in his letter to shareholders, the chairman and CEO shared that, based on industry projections, the worldwide semiconductor industry “is projected to invest more than \$500 billion in 84 volume chipmaking facilities starting construction from 2021 to 2023”. The global factory count is expected to grow significantly, with a record high 33 new semiconductor manufacturing facilities starting construction in 2022 and 28 more in 2023.

- (i) **How does the group intend to directly capitalise on the expected growth in the semiconductor industry, particularly the projected increase in the number of new manufacturing facilities being constructed?**
- (ii) **To what extent has the group diversified its customer base in the semiconductor segment, and what is the revenue contribution of its largest customer?**
- (iii) **Has the group successfully onboarded the new customer in the front-end semiconductor space?**
- (iv) **What is the typical ramp-up period for new customers in the front-end semiconductor segment, and how long does it usually take for a new customer to reach a steady-state level of production?**

Company Response to Question 1

- (i) The Group is well-poised to capture the vast growth opportunities in the global semiconductor industry. Indeed, we have continued to expand capacity to meet higher customer demands. When our new Penang plant is ready later this year, we will have a total of about 1,000,000 sq. ft. of combined factory space in Singapore and Penang (Malaysia) to meet new customer orders. With the acquisition of JEP Holdings Ltd (which has 2 large facilities in Singapore equipped with state-of-the-art machinery), the enlarged Group is well-positioned to maximize operational synergies to capitalize on the expected global upcycle in chip demand.

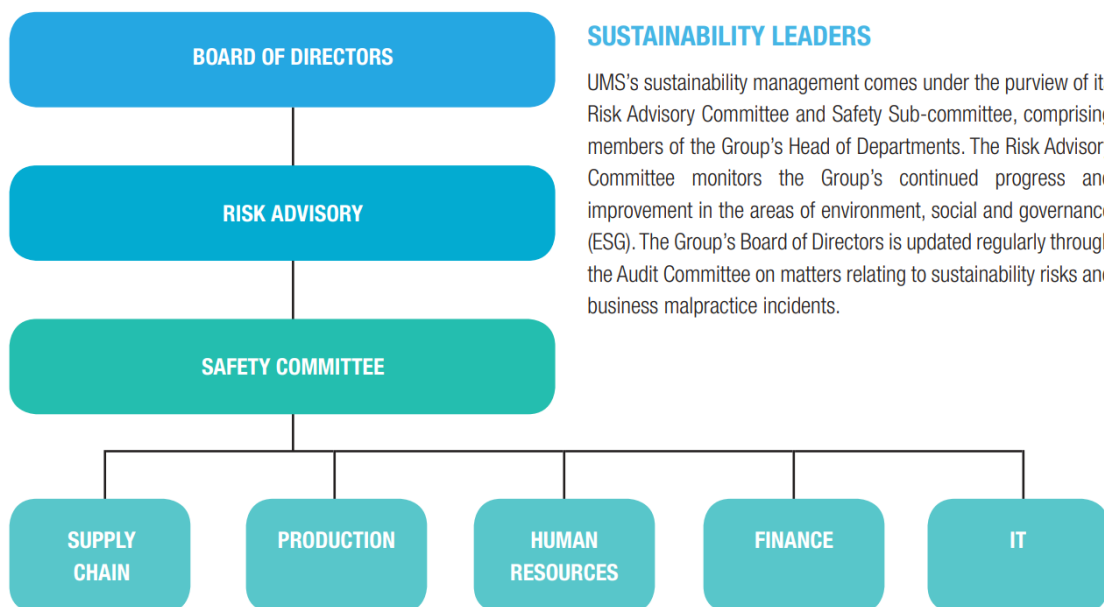
The hiring of workers is also proceeding well, thus helping to alleviate the tight labour situation in Penang.

The Group therefore remains upbeat of longer-term growth prospects as we are ready to scale higher with our enhanced production capacity and talent pool.

- (ii) The Group continues to actively engage with prospective customers to expand our customer base and our efforts have succeeded in getting new customer orders. Our largest customer contributes more than 50% of our revenue.
- (iii) We are currently in advanced discussion with the new customer and First Article Inspection (FAI) processes for the new customer had already commenced.
- (iv) The ramp up period varies from 6 to 12 months depending on product mix.

2. Question 2

The group's governance structure for sustainability includes a risk advisory committee and a safety sub-committee. Regular updates on sustainability risks are provided by the risk advisory committee to the board of directors via the audit committee.



(Source: company annual/sustainability report 2021; the company has stated that the updated report for 2022 will be published no later than 30 April 2023)

Based on the governance structure, the working groups report to the safety committee, which is under the purview of the risk advisory committee. The risk advisory committee monitors the group's progress and improvement in the areas of environment, social and governance (ESG) and reports to the audit committee which then updates the board of directors.

- (i) **Based on the current governance structure, how effective is the board of directors in driving, governing, and managing the group's sustainability efforts?**
- (ii) **How frequently does the board review the group's sustainability strategies and progress, and to what extent are these considerations integrated into their decision-making process?**
- (iii) **Will material ESG risks be integrated into the group's overall risk management framework, monitored and reported to the board?**

Company Response to Question 2

- (i) The Board is effective in driving, governing and managing the Group's sustainability efforts.

Our operations comply with local regulations such as the national Environmental Protection and Management Act (EPMA); Environmental Public Health Act (EPHA); Hazardous Waste (Control of Export, Import and Transit) Act. All UMS facilities undertake regular external and internal audits as part of their commitment to ISO 9001 Quality Management Systems.

To reduce our environmental impact, we have met all our internal targets for energy and water consumption as well as waste management. We are committed to reduce our carbon footprint to ensure more efficient operations and deployment of resources.

At UMS, we also advocate the highest level of conduct and ethical standards to maintain high standards of governance. So far, we did not receive any whistleblowing report concerning the Company. There were also no cases of bribery or corruption, anti-competitive behaviour during the year. We continue to strive to uphold the highest standards of corporate governance with respect to our stringent governance framework.

- (ii) We have quarterly Board meetings to review our strategies and targets and monitor the progress made. Recommendations for further improvements will be implemented according to specific targets and timelines set and integrated into management and operational processes as appropriate.
- (iii) Yes.

3. Question 3

In the footnote to the Directors' statement, the company disclosed the following (page 40):

Ms Gn Jong Yuh Gwendolyn is the interim trustee of "The 71 Trust" and "SY Trust" – personal trust of Mr Andy Luong, Chairman and CEO of UMS Holdings Limited and his wife respectively. As part of their estate planning measures, Mr Andy Luong and his wife have transferred a total of 34,010,348 shares in the Company to "The 71 Trust" and "SY Trust" whose key beneficiaries include his family members. Ms Gn Jong Yuh, Gwendolyn is an Independent Director of the Company.

The board has adopted the criteria of an independent director stated in the Code of Corporate Governance 2018 and it is of the view that all non-executive and independent directors have satisfied the criteria of independence.

- (i) **How did the nominating committee (NC) review the relationship between the controlling shareholder (and his spouse) and the independent director who also serves as an interim trustee of the personal trust of the controlling shareholder (and his spouse)?**
- (ii) **Is the director paid any fees to act as the interim trustee of the personal trusts?**
- (iii) **Could the abovementioned relationship interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgement in the best interest of the company?**
- (iv) **Separately, does Ms Gn Jong Yuh Gwendolyn, as a member of the audit committee, also review the interested person transactions (IPTs) with Sure Achieve Consultant Pte Ltd? The IPT with Sure Achieve Consultant Pte Ltd amounted to \$3.04 million (2021: \$2.22 million). The spouse of the controlling shareholder is a director and shareholder of Sure Achieve Consultant Pte Ltd.**

Company Response to Question 3

- (i) The Nominating Committee has reviewed this relationship extensively and does not see any major conflict of interest as Ms Gn Jong Yuh Gwendolyn (“**Ms Gwen**”) serves only as an interim trustee of “The 71 Trust” and “SY Trust”. Ms Gwen ‘s interim trustee role is temporary and will cease once a permanent trustee is appointed.
- (ii) Yes. A token sum is paid to Ms Gwen to serve as interim trustee.
- (iii) No.
- (iv) Yes. The Audit Committee, which includes Ms Gwen, had reviewed all IPT matters.

By Order of the Board

Luong Andy
Chief Executive Officer
Singapore

20 April 2023