



Company Registration No. 200100340R

# **UMS Holdings Limited and its subsidiaries**

Unaudited Condensed Interim Financial Statements  
For the six-month financial period ended 30 June 2022

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim consolidated income statement For the six-month financial period ended 30 June 2022

	Group					
	2Q			6 Months Ended		
	30-Jun-22 S\$'000	30-Jun-21 S\$'000	Change %	30-Jun-22 S\$'000	30-Jun-21 S\$'000	Change %
Revenue	86,602	66,781	30%	171,340	116,392	47%
Net finance expense (Note 6.1)	(195)	(174)	12%	(417)	(297)	40%
Changes in inventories	12,863	3,801	238%	13,445	(122)	N.M.
Raw material purchases and subcontractor charges	(54,695)	(36,014)	52%	(96,458)	(55,363)	74%
Employee benefits expense	(9,849)	(7,658)	29%	(20,088)	(13,331)	51%
Depreciation expense	(3,835)	(2,779)	38%	(7,480)	(4,543)	65%
Other expenses (Note 6.2)	(5,532)	(4,226)	31%	(10,364)	(7,125)	45%
Other credits (Note 6.3)	1,544	2,289	-33%	2,339	2,955	-21%
Share of profit of associate	-	102	-100%	-	361	-100%
<b>Profit before income tax</b>	<b>26,903</b>	<b>22,122</b>	<b>22%</b>	<b>52,317</b>	<b>38,927</b>	<b>34%</b>
Income tax expense (Note 7)	(5,642)	(2,876)	96%	(10,367)	(4,624)	124%
<b>Net profit for the period from continuing operations</b>	<b>21,261</b>	<b>19,246</b>	<b>10%</b>	<b>41,950</b>	<b>34,303</b>	<b>22%</b>
<b>Profit attributable to:</b>						
<b>Owners of the parent</b>	<b>20,175</b>	<b>16,904</b>	<b>19%</b>	<b>39,546</b>	<b>32,273</b>	<b>23%</b>
Non- controlling interest	1,086	2,342	-54%	2,404	2,030	18%
	<b>21,261</b>	<b>19,246</b>	<b>10%</b>	<b>41,950</b>	<b>34,303</b>	<b>22%</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>						
Basic	<b>3.03</b>	<b>2.54</b>		<b>5.93</b>	<b>4.84</b>	
Diluted	<b>3.03</b>	<b>2.54</b>		<b>5.93</b>	<b>4.84</b>	

N.M - Not meaningful

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim statement of comprehensive income As at 30 June 2022

	Group					
	2Q			6 Months Ended		
	30-Jun-22 S\$'000	30-Jun-21 S\$'000	Change %	30-Jun-22 S\$'000	30-Jun-21 S\$'000	Change %
Net Profit for the period	21,261	19,246	10%	41,950	34,303	22%
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	(1,549)	742	N.M	(1,885)	(123)	1433%
<b>Total comprehensive income for the period</b>	<b>19,712</b>	<b>19,988</b>	<b>-1%</b>	<b>40,065</b>	<b>34,180</b>	<b>17%</b>
<b>Attributable to:</b>						
Equity holders of the Company	18,646	17,305	8%	37,698	31,789	19%
Non- controlling interests	1,066	2,683	-60%	2,367	2,391	-1%
	<b>19,712</b>	<b>19,988</b>	<b>-1%</b>	<b>40,065</b>	<b>34,180</b>	<b>17%</b>

# UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

## Condensed interim statement of financial position

As at 30 June 2022

	Group		Company	
	30-Jun-2022 S\$'000	31-Dec-2021 S\$'000	30-Jun-2022 S\$'000	31-Dec-2021 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	70,477	65,086	863	6,273
Trade receivables and other current assets	68,843	67,177	1,633	12,411
Financial assets through profit and loss	1,484	322	1,484	322
Loan to subsidiary	-	-	4,877	6,337
Inventories	100,555	87,110	-	-
<b>Total Current Assets</b>	<b>241,359</b>	<b>219,695</b>	<b>8,857</b>	<b>25,343</b>
<b>Non-Current Assets</b>				
Investment in subsidiaries	-	-	262,679	260,459
Property, plant and equipment (Note 12)	116,687	112,115	-	-
Right-of-use assets	13,879	14,660	-	-
Investment property (Note 13)	1,577	1,657	-	-
Intangible assets (Note 11)	88,401	88,551	-	-
Deferred tax assets	93	76	-	-
<b>Total Non-Current Assets</b>	<b>220,637</b>	<b>217,059</b>	<b>262,679</b>	<b>260,459</b>
<b>Total Assets</b>	<b>461,996</b>	<b>436,754</b>	<b>271,536</b>	<b>285,802</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Bank borrowings (Note 14)	7,812	11,601	-	2,500
Trade and other payables	57,146	56,079	39,323	60,915
Loan from related parties (Note 14)	1,403	1,403	-	-
Lease liabilities	911	1,179	-	-
Income tax payable	24,483	19,151	157	157
<b>Total Current Liabilities</b>	<b>91,755</b>	<b>89,413</b>	<b>39,480</b>	<b>63,572</b>
<b>Non Current Liabilities</b>				
Bank borrowings (Note 14)	21,469	22,685	-	-
Deferred tax liabilities	10,198	9,818	-	-
Long-term provision*	405	405	-	-
Lease liabilities	9,666	10,159	-	-
<b>Total Non-Current Liabilities</b>	<b>41,738</b>	<b>43,067</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>133,493</b>	<b>132,480</b>	<b>39,480</b>	<b>63,572</b>
<b>Capital and Reserves</b>				
Share Capital (Note 15)	136,623	136,623	136,623	136,623
Treasury shares (Note 15.1)	(2,064)	(2,064)	(1,919)	(1,919)
Reserves	(13,513)	(11,665)	-	-
Retained earnings	181,037	156,009	97,352	87,526
	302,083	278,903	232,056	222,230
<b>Non-controlling interest</b>	<b>26,420</b>	<b>25,371</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>328,503</b>	<b>304,274</b>	<b>232,056</b>	<b>222,230</b>
<b>Total Liabilities and Equity</b>	<b>461,996</b>	<b>436,754</b>	<b>271,536</b>	<b>285,802</b>

\* Provision for reinstatement of leased premises.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim statements of changes in equity For the six-month financial period ended 30 June 2022

Group	Attributable to owners of the Company						
	Share Capital S\$'000	Treasury Shares S\$'000	Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total S\$'000
<b>Balance at 1 January 2022</b>	136,623	(2,064)	(11,665)	156,009	278,903	25,371	304,274
<b>Changes in equity for first quarter</b>							
Net profit for the period	-	-	-	19,371	19,371	1,318	20,689
Other comprehensive loss for the period - Exchange differences on translation of foreign operations	-	-	(319)	-	(319)	(17)	(336)
<b>Total comprehensive (loss)/ income for the quarter</b>	-	-	(319)	19,371	19,052	1,301	20,353
Effect on non-controlling interest on acquisition of a subsidiary	-	-	-	(257)	(257)	(261)	(518)
<b>Balance at 31 March 2022</b>	136,623	(2,064)	(11,984)	175,123	297,698	26,411	324,109
<b>Changes in equity for second quarter</b>							
Net profit for the period	-	-	-	20,175	20,175	1,086	21,261
Other comprehensive loss) for the period - Exchange differences on translation of foreign operations	-	-	(1,529)	-	(1,529)	(20)	(1,549)
<b>Total comprehensive (loss)/ income for the quarter</b>	-	-	(1,529)	20,175	18,646	1,066	19,712
Dividend paid	-	-	-	(13,336)	(13,336)	-	(13,336)
Effect on non-controlling interest on acquisition of a subsidiary	-	-	-	(925)	(925)	(1,057)	(1,982)
<b>As at 30 June 2022</b>	136,623	(2,064)	(13,513)	181,037	302,083	26,420	328,503

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim statements of changes in equity For the six-month financial period ended 30 June 2022

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

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim statements of changes in equity  
For the six-month financial period ended 30 June 2022**

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Company</b>				
<b>Balance at 1 January 2022</b>	136,623	(1,919)	87,526	222,230
<b>Changes in equity for first quarter</b>				
Net loss for the period	-	-	(949)	(949)
<b>Total comprehensive expenses for the quarter</b>	-	-	(949)	(949)
<b>Balance at 31 March 2022</b>	136,623	(1,919)	86,577	221,281
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	24,111	24,111
<b>Total comprehensive income for the quarter</b>	-	-	24,111	24,111
Dividend paid	-	-	(13,336)	(13,336)
<b>As at 30 June 2022</b>	136,623	(1,919)	97,352	232,056

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



**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim consolidated cash flow statement  
For the six-month financial period ended 30 June 2022**

	Group			
	2Q		6 Months Ended	
	30-Jun-22 S\$'000	30-Jun-21 S\$'000	30-Jun-22 S\$'000	30-Jun-21 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	26,903	22,122	52,317	38,927
Adjustments for:				
Depreciation expense	3,835	2,779	7,480	4,543
Loss on deemed disposal of an associate	-	2,015	-	2,015
Waiver of loans from a related party	-	(3,871)	-	(3,871)
Property, plant and equipment written off	1	12	1	12
Allowance for project loss	-	-	-	721
Allowance for inventories obsolescence	209	324	209	324
Gain on disposal of property, plant and equipment	(57)	(2)	(57)	(8)
Interest income	(60)	(43)	(109)	(68)
Interest expense	255	217	526	365
Amortisation of intangible assets	75	-	150	-
Share of profit of associate	-	(102)	-	(361)
Unrealised foreign exchange loss/(gain)	71	1,441	17	(276)
<b>Operating cash flows before working capital changes</b>	<b>31,232</b>	<b>24,892</b>	<b>60,534</b>	<b>42,323</b>
Changes in working capital:				
Trade receivables and other current assets	(3,259)	(63)	(2,496)	(16,815)
Inventories	(13,072)	(5,366)	(13,654)	(2,144)
Trade and other payables	4,619	2,089	1,066	7,673
<b>Cash generated from operations</b>	<b>19,520</b>	<b>21,552</b>	<b>45,450</b>	<b>31,037</b>
Income tax paid	(2,841)	(1,441)	(4,036)	(2,200)
<b>Net cash generated from operating activities</b>	<b>16,679</b>	<b>20,111</b>	<b>41,414</b>	<b>28,837</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	57	97	57	103
Purchase of property, plant and equipment	(6,283)	(3,285)	(12,276)	(3,464)
Investment in quoted shares	(72)	-	(1,162)	-
Net cash outflow on investment in a subsidiary	(1,862)	(10,198)	(2,220)	(10,198)
Interest received	60	43	109	68
<b>Net cash used in investing activities</b>	<b>(8,100)</b>	<b>(13,343)</b>	<b>(15,492)</b>	<b>(13,491)</b>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim consolidated cash flow statement  
For the six-month financial period ended 30 June 2022

	Group			
	2Q		6 Months Ended	
	30-Jun-22 S\$'000	30-Jun-21 S\$'000	30-Jun-22 S\$'000	30-Jun-21 S\$'000
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	19,917	16,500	19,917	16,500
Repayment of bank borrowings	(15,649)	(15,255)	(24,922)	(22,755)
Interest paid	(146)	(170)	(301)	(193)
	(15,795)	(15,425)	(25,223)	(22,948)
Repayment of lease liabilities	(473)	(432)	(972)	(524)
Purchase of treasury shares	-	(78)	-	(78)
Dividend paid	(13,336)	(5,334)	(13,336)	(5,334)
<b>Net cash used in financing activities</b>	<b>(9,687)</b>	<b>(4,769)</b>	<b>(19,614)</b>	<b>(12,384)</b>
Net (decrease)/increase in cash and cash equivalents	(1,108)	1,999	6,308	2,962
Net effect of exchange rate changes	(475)	125	(917)	448
Cash and cash equivalents at beginning of the period	72,060	55,073	65,086	53,787
<b>Cash and cash equivalents at end of the period</b>	<b>70,477</b>	<b>57,197</b>	<b>70,477</b>	<b>57,197</b>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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#### 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 half year ended 30 June 2022 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 2021.

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 2021”), management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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#### 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 30 June 2022 amounted to S\$116,687,000 (Dec 2021: S\$112,115,000) and S\$1,577,000 (Dec 2021: S\$1,657,000) 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.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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

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

###### (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.

#### 4. Financial Information by Segments

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

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

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

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

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

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2022

4.1 Revenue by Business Segments and Geographical Areas

Revenue  
6 Months 2022 vs 2021

	Group		
	6 Months Ended		
	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Semiconductor (Semicon)	148,957	105,307	41%
Aerospace	6,964	2,916	139%
Others	15,419	8,169	89%
	<b>171,340</b>	<b>116,392</b>	<b>47%</b>
<b>Geographical Regions</b>			
Singapore	117,027	79,605	47%
United States of America ('US')	16,569	14,065	18%
Taiwan	17,050	14,491	18%
Malaysia	10,140	4,392	131%
Others	10,554	3,839	175%
	<b>171,340</b>	<b>116,392</b>	<b>47%</b>

Revenue  
2Q2022 vs 2Q2021

	Group		
	3 Months Ended		
	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Semiconductor (Semicon)	75,612	58,576	29%
Aerospace	4,006	2,916	37%
Others	6,984	5,289	32%
	<b>86,602</b>	<b>66,781</b>	<b>30%</b>
<b>Geographical Regions</b>			
Singapore	59,357	46,586	27%
United States of America ('US')	8,825	8,681	2%
Taiwan	8,952	5,267	70%
Malaysia	4,882	2,845	72%
Others	4,586	3,402	35%
	<b>86,602</b>	<b>66,781</b>	<b>30%</b>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

#### 4.2 Business Segments

	Semiconductor		Aerospace		Others		Total	
	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>6 Months Ended 30 June 2022</b>								
<b>Group</b>								
Sales to external parties	148,916	105,307	6,970	2,916	15,454	8,169	171,340	116,392
<b>Segment results</b>	<b>47,775</b>	<b>35,377</b>	<b>876</b>	<b>154</b>	<b>3,666</b>	<b>3,396</b>	<b>52,317</b>	<b>38,927</b>
Material non-cash items include:								
Depreciation expense	6,143	3,346	1,033	197	304	1,000	7,480	4,543
Waiver of loans from related party	-	-	-	-	-	(3,871)	-	(3,871)
Allowance for project loss	-	-	-	-	-	721	-	721
Allowance for inventories obsolescence	209	-	-	148	-	176	209	324
Loss on acquisition of a subsidiary	-	2,015	-	-	-	-	-	2,015
Property, plant and equipment written off	1	-	-	-	-	-	1	-
Loss/(gain) on disposal of property, plant and equipment	3	(3)	(60)	-	-	(5)	(57)	(8)

<b>Disaggregation of revenue</b>								
At a point in time - sales of goods	148,522	105,196	6,970	2,916	15,454	8,169	170,946	116,281
Over time - rental income	394	111	-	-	-	-	394	111
<b>Total revenue</b>	<b>148,916</b>	<b>105,307</b>	<b>6,970</b>	<b>2,916</b>	<b>15,454</b>	<b>8,169</b>	<b>171,340</b>	<b>116,392</b>

	Semiconductor		Aerospace		Others		Total	
	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Total assets</b>	<b>647,103</b>	<b>651,788</b>	<b>51,756</b>	<b>52,925</b>	<b>55,580</b>	<b>57,548</b>	<b>754,439</b>	<b>762,261</b>
Total liabilities	191,702	218,764	14,503	16,887	29,927	34,373	236,132	270,024

	Group	
	<u>30-Jun-22</u>	<u>31-Dec-21</u>
	S\$'000	S\$'000
Total assets for reportable segments	754,439	762,261
Elimination of inter-segment assets	(292,443)	(325,507)
<b>Total assets</b>	<b>461,996</b>	<b>436,754</b>
Total liabilities for reportable segments	236,132	270,024
Elimination of inter-segment liabilities	(102,639)	(137,544)
<b>Total liabilities</b>	<b>133,493</b>	<b>132,480</b>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2022

4.3 Geographical Segments

<u>Group</u>	Singapore		USA		Taiwan		Malaysia		Others		Total	
	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>	<u>30-Jun-22</u>	<u>30-Jun-21</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>6 Months Ended 30 June 2022</u></b>												
<b>Group</b>												
Sales to external parties	117,027	79,605	16,569	14,065	17,050	14,491	10,140	4,392	10,554	3,839	171,340	116,392

	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</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	73,341	73,642	53	61	-	-	43,293	38,412	-	-	116,687	112,115
Investment property	1,577	1,657	-	-	-	-	-	-	-	-	1,577	1,657
Intangible asset	2,050	2,200	-	-	-	-	-	-	-	-	2,050	2,200
Goodwill	85,427	85,427	924	924	-	-	-	-	-	-	86,351	86,351
Right-of-use assets	13,401	14,101	340	330	-	-	138	229	-	-	13,879	14,660



## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

#### 5. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2022 and 31 December 2021:

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<u>Financial assets</u>				
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	51,582	56,457	1,617	12,389
Financial assets through profit and loss	-	-	1,484	-
Loan to subsidiary	-	-	4,877	6,337
Cash and bank balances	70,477	65,086	863	6,273
	<u>122,059</u>	<u>121,543</u>	<u>8,841</u>	<u>24,999</u>
<u>Financial liabilities</u>				
Bank borrowings	29,281	34,286	-	2,500
Loans from related parties	1,403	1,403	-	-
Trade and other payables (excluding contract liabilities)	50,142	46,728	39,323	60,915
Lease liabilities	10,577	11,338	-	-
	<u>91,403</u>	<u>93,755</u>	<u>39,323</u>	<u>63,415</u>

#### 6. Profit before tax

##### 6.1 Net finance expense

	Group					
	2Q			6 Months Ended		
	30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Group</b>						
<u>Interest income</u>						
- from cash and cash equivalents	60	43	40%	109	68	60%
<u>Interest expense</u>						
- on lease liabilities and hire purchases	(101)	(105)	-4%	(208)	(164)	27%
- on bank borrowings	(146)	(161)	-9%	(301)	(184)	64%
- on loans from related parties	(8)	49	N.M	(17)	(17)	0%
Net finance expense	<u>(195)</u>	<u>(174)</u>	<u>12%</u>	<u>(417)</u>	<u>(297)</u>	<u>40%</u>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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

##### 6.2 Other expenses:

	Group					
	2Q			6 Months Ended		
	30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees	(1,488)	(981)	52%	(2,207)	(1,666)	32%
Utilities	(1,597)	(1,203)	33%	(3,019)	(2,110)	43%
Freight charges	(596)	(389)	53%	(1,292)	(602)	115%
Insurance	(207)	(147)	41%	(383)	(249)	54%
Upkeep of properties and equipment	(298)	(240)	24%	(730)	(358)	104%
Upkeep of machinery	(564)	(540)	4%	(1,089)	(990)	10%
Others	(782)	(726)	8%	(1,644)	(1,150)	43%
	(5,532)	(4,226)	31%	(10,364)	(7,125)	45%

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

	Group					
	2Q			6 Months Ended		
	30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange gain - net	1,729	586	195%	2,238	1,861	20%
Gain on disposal of property, plant and equipment	57	2	2750%	57	8	613%
Property, plant & equipment written off	(1)	(12)	N.M	(1)	(12)	N.M
Allowance for stock obsolescence	(209)	(324)	-35%	(209)	(324)	-35%
Allowance for project loss	-	-	0%	-	(721)	N.M
Amortisation of intangible assets	(75)	-	N.M	(150)	-	N.M
Loss on deemed disposal of an associate	-	(2,015)	N.M	-	(2,015)	N.M
Waiver of loans from a related party	-	3,871	N.M	-	3,871	N.M
Others	43	181	-76%	404	287	41%
	1,544	2,289	-33%	2,339	2,955	-21%

##### 6.4 Related Party Transactions

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

#### 7. Income Tax

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

	Group					
	2Q			6 Months Ended		
	30-Jun-22	30-Jun-21	Change	30-Jun-22	30-Jun-21	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(5,642)	(2,891)	95%	(10,295)	(4,697)	119%
- Prior years	-	15	N.M	(72)	73	N.M
	(5,642)	(2,876)	96%	(10,367)	(4,624)	124%

#### 8. Dividends

	Group and Company	
	30-Jun-22	30-Jun-21
	S\$'000	S\$'000
<b>Cash dividend on ordinary shares declared and paid/payable</b>		
- Interim (one-tier) dividend for 30.06.22: 2 cents (for 30.06.21: 1 cent) per share	13,336	5,334
<b>Total</b>	<b>13,336</b>	<b>5,334</b>

#### Tax consequences of proposed dividends

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

#### 9. Net Assets Value

	Group		Company	
	30-Jun-22	31-Dec-21	30-Jun-22	31-Dec-21
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	45.30 cents	41.83 cents	34.80 cents	33.33 cents
Total number of issued shares (excluding treasury shares)	666,785,941	666,785,941	666,785,941	666,785,941

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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#### 10 Fair value measurement

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

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

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

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

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

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

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

#### 11. Intangible assets

	Goodwill	Customer Relationship	Total
	S\$'000	S\$'000	S\$'000
<b>Cost:</b>			
At 1 January 2022	88,469	2,400	90,869
Acquisition of a subsidiary	-	-	-
<b>At 30 June 2022</b>	<u>88,469</u>	<u>2,400</u>	<u>90,869</u>
<b>Accumulated amortisation</b>			
At 1 January 2022	-	(200)	(200)
Amortisation for the year	-	(150)	(150)
<b>At 30 June 2022</b>	<u>-</u>	<u>(350)</u>	<u>(350)</u>
<b>Accumulated impairment</b>			
At 1 January 2022	(2,118)	-	(2,118)
Impairment for the year	-	-	-
<b>At 30 June 2022</b>	<u>(2,118)</u>	<u>-</u>	<u>(2,118)</u>
<b>Net book value:</b>			
<b>At 31 Dec 2021</b>	<u>86,351</u>	<u>2,200</u>	<u>88,551</u>
<b>At 30 June 2022</b>	<u>86,351</u>	<u>2,050</u>	<u>88,401</u>

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 2021.

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\$12,276,000 (30.06.2021: S\$3,464,000) respectively. The Company did not acquire any assets during financial period 30 June 2022 and 30 June 2021.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2022

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#### 13. Investment property

	<b>Group</b>	
	<b><u>30-Jun-22</u></b>	<b><u>31-Dec-21</u></b>
	S\$'000	S\$'000
<u>Cost</u>		
At the beginning of the year	4,098	4,033
Additions	-	65
Disposal/Write-off	-	-
At the end of the year	<u>4,098</u>	<u>4,098</u>
<u>Accumulated depreciation</u>		
At the beginning of the year	2,441	2,285
Depreciation for the year	80	156
Disposal/Written-off	-	-
At the end of the year	<u>2,521</u>	<u>2,441</u>
<u>Net book value</u>		
At the end of the year	<u>1,577</u>	<u>1,657</u>

Investment property relates to the leasehold property at 25 Changi North Crescent, Singapore 499617 held by a subsidiary under an operating lease to earn rental income. Rental income and direct operating expenses related to the investment property amounted to S\$69,201 (2021: S\$19,200) and S\$51,250 (1H2021: S\$51,250) respectively, for the financial period ended 30 June 2022.

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

The estimated fair value of the leasehold property amounted to S\$6,600,000 (Dec 2021: 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 2021. The key input applied in the estimation of the investment property is unit price per square foot. There has been no change to the valuation technique during the current financial period.

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2022**

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

	<u>Group</u>		<u>Company</u>	
	<u>30-Jun-22</u>	<u>31-Dec-21</u>	<u>30-Jun-22</u>	<u>31-Dec-21</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured</b>				
Term loans – non-current (a)	21,469	22,685	-	-
Term Loans – current (a)	2,812	3,101	-	-
	24,281	25,786	-	-
<b>Unsecured</b>				
Short term bank loan - current (b)	5,000	8,500	-	2,500
Loan from related parties				
- Current (c)	1,403	1,403	-	-
	30,684	35,689	-	2,500

- (a) Secured term loans amounting to S\$24.3 million are secured by the property, plant and equipment of subsidiaries.
- (b) The unsecured bank loan bears fixed interest at 0.85% - 2.34% (2021: 0.79% - 1.38%) per annum and with a maturity period of less than three months.
- (c) The loans from related parties bear interest at 2.50% (2021: 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.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2022

15. Share Capital

	<u>30-Jun-22</u>		<u>31-Dec-21</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group and Company</b>				
Issued and fully paid:				
At the beginning of the year	670,535,941	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>670,535,941</u>	<u>136,623</u>

15.1 Treasury shares

	<u>30-Jun-22</u>		<u>31-Dec-21</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group</b>				
At the beginning of the year	4,414,837	2,064,000	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>4,414,837</u>	<u>2,064,000</u>

	<u>30-Jun-22</u>		<u>31-Dec-21</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Company</b>				
At the beginning of the year	3,750,000	1,919,000	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>3,750,000</u>	<u>1,919,000</u>



**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2022**

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**16. Subsequent events**

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

## Other Information Required by Listing Rule Appendix 7.2

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

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**Other Information**

**1. Review**

The interim condensed consolidated balance sheet of UMS Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 June 2022 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month financial period 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**

**2QFY2022**

Group revenue continued to climb hitting S\$86.6 million - a 30% jump compared to S\$66.8 million in the previous corresponding quarter. Revenue growth was mainly driven by the sustained global semiconductor demand and consolidation of JEP’s full 3 months’ results in 2QFY2022 (vs 2 months recorded for 2QFY2021).

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 report sterling results.

Semiconductor revenue grew 29% to S\$75.6 million compared to S\$58.6 million in 2QFY2021, as the Group continued to benefit from the global wafer fabs’ robust capex during the period under review. Semiconductor Integrated System revenue rose 11% from S\$28.9 million in 2QFY2021 to S\$32 million in 2QFY2022 while component sales surged 46% from S\$29.7 million in 2QFY2021 to S\$43.6 million in 2QFY2022. The jump in component sales is attributed to the growth of UMS’ semicon component business, 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) went up 32% to S\$7.0 million from S\$5.3 million in 2QFY2021. This sales increase was due mainly to the full 3-month consolidation of JEP’s aerospace and tooling distribution revenue.

On a sequential basis, compared to 1QFY2022, Semiconductor sales edged up 3% while aerospace segment revenue leapt 35%. Sales in the Others segment eased 15% mainly due to the absence of project revenue from its subsidiary Kalf Engineering. However, excluding Kalf Engineering, the Others segment registered sales increase of 42%.

All the Group’s key geographical markets grew in 2QFY2022. Except for USA which reported 2% sales improvement, the Group’s markets all clocked double-digit sales surge.

Malaysia and Taiwan were the star performers with revenue soaring 72% and 70% respectively. Singapore sales rose 27% while Others revenue increased 35%.

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.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

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

The robust revenue jump in Malaysia was due to higher material distribution sales and the full 3 months consolidation of JEP's tooling distribution business.

Sales in the "Others" markets which rose 35% - came mainly from the 3 full months of consolidation of JEP's aerospace and tooling distribution revenue.

Higher sales of component spares gave a strong boost to Taiwan's performance during the quarter

**1HFY2022**

The Group logged its highest ever half yearly revenue - surpassing S\$170 million for the very first time.

Group revenue soared 47% to hit another record in 1HFY2022 – hitting S\$171.3 million - driven mainly by the sustained semiconductor boom worldwide and higher contributions from the Group's successful integration of Catalist-listed JEP Holdings Ltd in 2QFY2021.

Compared to 1HFY2021, semicon sales climbed 41% to S\$149 million while revenue in aerospace more than doubled – rising 139% to about \$7 million from S\$2.9 million. Sales in Others segment leapt 89% to S\$15.4 million from S\$8.2 million.

Semiconductor Integrated System sales grew to S\$61.9 million in 1HFY2022 - up 20% from S\$51.5 million in 1HFY2021. Component sales also shot up 62% to S\$87.1 million in 1HFY2022 from S\$53.8 million in 1HFY2021.

All of the Groups key geographical markets delivered strong growth in 1HFY2022.

Malaysia and the "Others" market reported the strongest growth - clocking in triple-digit sales increases. Compared to 1HFY2021, revenue in Malaysia grew 131% and revenue in Others markets vaulted 175% in 1HFY2022.

Sales in Singapore rose 47%, while revenue in Taiwan and US markets each grew 18%.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

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

**Profitability**

**2QFY2022**

The Group reported another record-breaking performance, surpassing its recent record quarterly results in 1QFY2022.

Its 2QFY2022 pre-tax profit rose 22% to S\$26.9 million from S\$22.1 million in 2QFY2021, while net profit went up 10% to S\$21.3 million and net profit attributable to shareholders exceeded S\$20 million for the first time - climbing 19% to S\$20.2 million.

This was achieved despite higher expenses in all categories, after consolidation of JEP's results. Personnel cost and other expenses increased by 29% and 31% respectively. Depreciation expenses also went up by 38%.

Income tax expenses too shot up by 96% to S\$5.6 million (from S\$2.9 million in 2QFY2021). 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 local employee criteria (due to ongoing labour crunch in Penang) to qualify for the pioneer tax incentive.

The Group is currently still in discussion with the relevant Malaysian authorities with a view to achieve a favourable outcome for these tax issues.

The Group's bottom line also benefitted from the appreciation of the USD with a foreign exchange gain of S\$1.7 million -which increased 195% from S\$0.6 million in 2QFY2021.

Other credits fell to S\$1.5 million from S\$2.3 million in the period under review. The decline was mainly due to absence of one-time debt waiver (S\$3.9m), partially offset by absence of one-time loss on deemed disposal of an associate and higher forex gain.

Gross material margin for 2QFY2022 remained relatively stable at 51.7%.

**1HFY2022**

In terms of profitability, Group delivered another record half year performance.

Group net profit rose 22% to S\$42 million while pre-tax profit surged 34% to hit an all-time high of S\$52.3 million for the first six months of the year.

The Group's net profit attributable to shareholders climbed 23% to S\$39.5 million, from S\$32.3 million in 1HFY2021.

Gross material margins in 1HFY2022 remained stable at 51.6% compared to 52.3% in 1HFY2021.

The Group's bottom line grew despite higher costs. Employee benefits, depreciation and other expenses surged 51%, 65% and 45% respectively.

Income tax expense also leapt 124% in 1HFY2022 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 six-month financial period ended 30 June 2022**

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

**Condensed Consolidated Balance Sheet**

**Cash and Bank Balances / Bank borrowings**

The net increase in cash and cash equivalents by S\$10.4 million (after netting-off bank borrowings) was mainly due to net cash generated from operating activities partially offset by purchase of property, plant and equipment and payment of dividends during the period.

**Trade and other receivables**

Trade receivables and other current assets increased by S\$1.67 million mainly due to advance payment to suppliers.

**Inventories**

The increase in inventories by S\$13.4 million was mainly due to higher material purchases to manage short term supply chain uncertainties.

**Trade and other payables**

Trade and other payables increased by S\$1.07 million mainly due to higher material purchases.

**Other information required by Listing Rule Appendix 7.2**  
**For the six-month financial period ended 30 June 2022**

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

**Condensed Consolidated Cash Flow Statement**

**2QFY2022**

The Group's financial position stayed healthy - registering S\$16.7 million positive net cash from operating activities (vs S\$20.1million in 2QFY2021) and S\$10.5 million free cash flow in 2QFY2022 (vs \$16.9 million in 2QFY2021).

The lower operating cashflow was mainly due to higher material purchases to manage short term supply chain uncertainties while higher capex for the new Penang plant led to the decline in free cashflow during the quarter.

The Group's cash position remains strong even after paying more dividends to shareholders.

The Group paid out S\$13.3 million in final dividend to reward shareholders which was more than double the total of S\$5.3 million paid out in the same period last year.

**1HFY2022**

On a half year basis, the Group generated record cash from operations in the first half of this year.

Net cash from operating activities surpassed S\$40 million to reach S\$41.4 million (vs S\$28.8 million in 1HFY2021)

Free cash flow also hit a new half year record of S\$29.2 million (vs S\$25.5 million in 1HFY2021)

Net cash and cash equivalents (net of bank borrowings) also improved to hit S\$41.2 million at 30 June 2022 as compared to S\$30.8 million at 31 December 2021.

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

**Other information required by Listing Rule Appendix 7.2**  
**For the six-month financial period ended 30 June 2022**

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the previous announcement made on 10 May 2022.

**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 strong half year performance was driven by robust global chip demand as well as the increasing capex of semiconductor fabs worldwide.

The Group also benefitted from its acquisition of Catalist-listed JEP Holdings which lifted UMS' overall sales and earnings with higher aerospace and tooling distribution contributions and provided the Group with 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 ongoing manpower crunch in Malaysia.

The Group's order forecasts remain strong as its key customer has recently given a bright outlook as it expects increased sales despite the impact of ongoing supply chain challenges in FY2022. Our key customer has also announced accelerating of technology inflections which will enable it to outgrow the semiconductor market in the years ahead. This strong customer forecast heralds good news for UMS' growth momentum in the coming months.

According to SEMI, global sales of total semiconductor manufacturing equipment by original equipment manufacturers are forecast to reach a record \$117.5 billion in 2022, rising 14.7% from the previous industry high of \$102.5 billion in 2021, and will increase to \$120.8 billion in 2023.<sup>1</sup>

Both the front-end and back-end semiconductor equipment segments are contributing to the market expansion. The wafer fab equipment segment, which includes wafer processing, fab facilities, and mask/reticle equipment, is projected to expand 15.4% to a new industry record of \$101 billion in 2022, followed by a 3.2% increase to \$104.3 billion in 2023.

While the bullish SEMI forecast provides new oomph to the sustained semicon boom, near-term challenges such as supply disruptions and rising inflation persist.

Some global chipmakers have softened their forecast and scaled down their capex plans in view of the expected global economic slowdown.

The Group however will carry on with its expansion plans with its new Penang factory 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. Ongoing engagements with prospective customers are progressing well.

There are bright sparks in the labour landscape in Malaysia as the Malaysian authorities have announced easing of the 80-20 employment policy by 2 years and opening up new sources for foreign worker recruitment.<sup>2</sup>

The Group has intensified its hiring progress since getting its quota approval to hire more foreign workers. Efforts to recruit local talent will persist. Although some challenges remain, the easing of foreign worker restrictions will help alleviate the tight labour situation in Penang

In addition to the upbeat semiconductor market outlook, the Group, which has clocked in better aerospace sales in the first half of the year, is also well-poised to ride the uptick in the aviation sector. JEP with its established track record in the aerospace industry is expected to further gain from the aviation industry's gradual recovery.



**Other information required by Listing Rule Appendix 7.2**  
**For the six-month financial period ended 30 June 2022**

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**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)**

According to ICAO - the aviation sector will continue to improve. The most recent estimates suggest that demand for air transport will increase by an average of 4.3% per annum over the next 20 years.<sup>3</sup>

Market research reports have also predicted a global aerospace market rebound at a modest pace - 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.<sup>4</sup>

While leading aviation giants such as Boeing had trimmed its 20-year industry wide outlook for planes, it sees strong near-term demand for aircraft despite recession risks. It has also expressed optimism as the long-term fundamentals of the sector remain intact.

Boeing still projects the global airline fleet to nearly double by 2041 as it expects worldwide aviation demand to recover by 2024. Its view of medium-term recovery - when the industry gets back to 2019 levels of global airline traffic - is largely unchanged. Overall, Boeing expects to see late 2023, early 2024 as the time where the industry recovers to full or at least the level of pre-pandemic traffic.<sup>5</sup>

While these trends bode well for the Group, the Board will stay vigilant and prudent to manage market uncertainties and risks from rising inflation and ongoing healthcare issues stemming from the recurrent virus outbreaks in our key markets. The Group will also work closely with its key customer to overcome near-term supply chain challenges.

In view of the Group's strong results, the Board has proposed an interim dividend of 1 cent to reward shareholders.

Barring any unforeseen circumstances, the Group will stay profitable for the year ahead.

[<sup>1</sup>Source: Global total semiconductor equipment sales on track to record \$118 billion in 2022, semi reports - <https://www.semi.org/en/news-media-press-releases/semi-press-releases/global-total-semiconductor-equipment-sales-on-track-to-record-%24118-billion-in-2022-semi-reports>]

[<sup>2</sup>Source: Putrajaya delays 80 20 employment ruling by 2 years - <https://www.freemalaysiatoday.com/category/nation/2022/07/16/putrajaya-delays-8020-employment-ruling-by-2-years/>]

[Home minister: Manufacturing, construction, service sectors may now recruit workers from 15 countries - <https://www.malaymail.com/news/malaysia/2022/07/18/home-minister-manufacturing-construction-service-sectors-may-now-recruit-workers-from-15-countries/18064>]

[<sup>3</sup>Source: Future of Aviation - <https://www.icao.int/Meetings/FutureOfAviation/Pages/default.aspx>]

[<sup>4</sup>Source: 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+E+merging+Economies+and+Rapid+Technological+Advances&utm\\_exec=cari18prd](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+E+merging+Economies+and+Rapid+Technological+Advances&utm_exec=cari18prd)]

[<sup>5</sup>Source : Boeing cuts 20-year industrywide outlook for planes <https://www.channelnewsasia.com/business/boeing-cuts-20-year-industrywide-outlook-planes-2816061#:~:text=LONDON%3A%20US%20airplane%20maker%20Boeing,stable%20excluding%20the%20Russian%20market.>]

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

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**5. Dividend information**

**a. Current Financial Period Reported on**

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

<b>Name of Dividend</b>	<b>Proposed Final Dividend</b>
<b>Dividend Type</b>	Cash
<b>Dividend Amount (SGD)</b>	1.0 cent per ordinary share, (tax exempt one-tier)
<b>Tax rate</b>	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**

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

**c. Date payable**

26 October 2022.

**d. Record date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 13 October 2022, for the purpose of determining members' entitlements to the Second Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2022.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to the close of business at 5.00 p.m. on 12 October 2022 will be registered before entitlement to the Second Interim Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 12 October 2022 will be entitled to the Second Interim Dividend.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

**6. Interested person transactions**

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the six-month financial period ended 30 June 2022 is disclosed below

Name of interested person	Nature of Relationship	6 Months Period Ended 30 June 2022 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\$1,708,000 which represents approximately 0.79% of the Group's latest audited net tangible assets as at 31 December 2021.	1,708

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2022**

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**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 2Q2022 and the period ended 30 June 2022 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 August 2022