

UMS INTEGRATION LIMITED (fka UMS Holdings Limited)
COMPANY REGISTRATION NO: 200100340R
Third Quarter Financial Statement And Dividend Announcement

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR ANNOUNCEMENTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2024

	Group					
	3Q			9 Months Ended		
	30-Sep-24	30-Sep-23	Change	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue (Note 8)	64,944	71,260	-9%	174,885	226,391	-23%
Changes in inventories	(883)	9,315	N.M	2,144	11,084	-81%
Raw material purchases and subcontractor charges	(30,458)	(44,107)	-31%	(84,776)	(126,037)	-33%
Employee benefits expense	(9,497)	(9,465)	0%	(26,407)	(28,491)	-7%
Depreciation expense	(5,145)	(4,876)	6%	(14,163)	(14,389)	-2%
Amortisation of intangible asset	(75)	(75)	0%	(225)	(225)	0%
Other expenses (Note (b))	(6,277)	(5,723)	10%	(18,418)	(18,840)	-2%
Other (charges)/credits (Note (c))	(1,260)	957	N.M	(291)	1,602	N.M
Finance income (Note (a))	720	424	70%	1,844	848	117%
Finance expense (Note (a))	(133)	(230)	-42%	(529)	(708)	-25%
Profit before income tax	11,936	17,480	-32%	34,064	51,235	-34%
Income tax expense (Note (d))	(1,659)	(2,059)	-19%	(4,300)	(5,885)	-27%
Net profit for the period from continuing operations	10,277	15,421	-33%	29,764	45,350	-34%
Profit attributable to:						
Owners of the parent	10,389	15,338	-32%	29,509	44,314	-33%
Non- controlling interest	(112)	83	N.M	255	1,036	-75%
	10,277	15,421	-33%	29,764	45,350	-34%
Earnings per share attributable to owners of the Company (cents per share)						
Basic	1.46	2.29		4.18	6.61	
Diluted	1.46	2.29		4.18	6.61	

NOTES TO INCOME STATEMENT

Note (a) Finance income/(expense)

	Group					
	3Q			9 Months Ended		
	30-Sep-24	30-Sep-23	Change	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash and cash equivalents	720	424	70%	1,844	848	117%
Interest expense on lease liabilities	(126)	(123)	2%	(349)	(325)	7%
Interest expense on bank borrowings	(7)	(107)	-93%	(180)	(372)	-52%
Interest expense from loans from related parties	-	-	0%	-	(11)	-100%
Net finance income (Note (i))	587	194	203%	1,315	140	839%

Note 1 (a)(a)(i) - The increase in net finance income was mainly due to higher interest income generated from higher cash balances attributed to share placement exercise in January 2024 and lower bank borrowings due to repayment of secured term loan.

Note (b) Other expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-24	30-Sep-23	Change	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(1,094)	(825)	33%	(3,021)	(3,301)	-8%
Utilities (Note (ii))	(2,033)	(2,074)	-2%	(5,855)	(6,488)	-10%
Freight charges (Note (iii))	(394)	(471)	-16%	(1,024)	(1,446)	-29%
Insurance	(202)	(206)	-2%	(621)	(585)	6%
Upkeep of properties and equipment (Note (iv))	(583)	(338)	72%	(1,522)	(1,228)	24%
Upkeep of machinery (Note (iv))	(855)	(770)	11%	(2,982)	(2,753)	8%
Others	(1,116)	(1,039)	7%	(3,393)	(3,039)	12%
	(6,277)	(5,723)	10%	(18,418)	(18,840)	-2%

Note 1(a)(b)(i) – Professional fees relates mainly to amounts payable to the Group's sales consultant. Refer to note 13. Higher professional fees was incurred during the period due to work done on the proposed secondary listing on the Main Market of Bursa Malaysia Securities Berhad.

Note 1(a)(b)(ii) – The decrease was mainly due to the cost savings from installation of solar panel during the period.

Note 1(a)(b)(iii) – The decrease was mainly due lower material purchases during the period.

Note 1(a)(b)(iv) – The increase was mainly due to higher maintenance work during the period.

Note (c) Other (charges)/credits

	Group					
	3Q			9 Months Ended		
	30-Sep-24	30-Sep-23	Change	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange (loss)/gain - net (Note (i))	(1,633)	788	N.M	(197)	853	N.M
Gain/(loss) on disposal of property, plant and equipment	189	4	4625%	(122)	619	N.M
Property, plant & equipment written off	(1)	-	N.M	(1)	(3)	-67%
Allowance for inventories obsolescence	(3)	77	N.M	(870)	(137)	535%
Fair value gain on financial assets through profit and loss	87	-	N.M	686	-	N.M
Others	101	88	15%	213	270	-21%
	(1,260)	957	N.M	(291)	1,602	N.M

Note 1(a)(c)(i) – The exchange loss in 3QFY2024 was mainly due to the depreciation of the US dollar during the period.

Note (d) Income tax

	Group					
	3Q			9 Months Ended		
	30-Sep-24	30-Sep-23	Change	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(1,655)	(2,198)	-25%	(4,299)	(6,066)	-29%
- Prior years	(4)	139	N.M	(1)	181	N.M
	(1,659)	(2,059)	-19%	(4,300)	(5,885)	-27%

Note 1(a)(d) - The decrease in current income tax was mainly due to lower profits during the period.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Sep 2024 S\$'000	31 Dec 2023 S\$'000	30 Sep 2024 S\$'000	31 Dec 2023 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	74,116	67,458	414	400
Trade receivables and other current assets (Note (iii))	55,740	56,239	43,044	11,060
Financial assets through profit or loss	1,272	586	1,272	586
Loan to subsidiaries	-	-	18,225	5,467
Inventories	112,904	110,760	-	-
Total Current Assets	244,032	235,043	62,955	17,513
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	270,724	266,556
Property, plant and equipment	166,110	152,719	-	-
Right-of-use assets	10,237	9,915	-	-
Investment property	1,270	1,368	-	-
Intangible assets	87,726	87,951	-	-
Deferred tax assets	175	169	-	-
Total Non-Current Assets	265,518	252,122	270,724	266,556
Total Assets	509,550	487,165	333,679	284,069
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 1(b)(ii))	1,075	6,790	-	4,000
Trade and other payables (Note (iv))	38,437	49,646	95,950	73,176
Lease liabilities	1,629	1,932	-	-
Income tax payable	4,535	7,580	45	146
Total Current Liabilities	45,676	65,948	95,995	77,322
Non Current Liabilities				
Bank borrowings (Note 1(b)(ii))	-	15,751	-	-
Lease liabilities	9,773	7,999	-	-
Deferred tax liabilities	8,741	10,136	-	-
Long-term provision*	405	405	-	-
Total Non-Current Liabilities	18,919	34,291	-	-
Total Liabilities	64,595	100,239	95,995	77,322
Capital and Reserves				
Share Capital	186,541	136,623	186,541	136,623
Treasury shares	(145)	(145)	-	-
Reserves	(14,828)	(21,471)	-	-
Retained earnings	248,317	244,830	51,143	70,124
	419,885	359,837	237,684	206,747
Non-controlling interest	25,070	27,089	-	-
Total Equity	444,955	386,926	237,684	206,747
Total Liabilities and Equity	509,550	487,165	333,679	284,069

* Provision for reinstatement of leased premises.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year. (cont'd)

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 30 September 2024 are as follows:

Name	Effective percentage of equity held by the Group		Company's cost of investment	
	30-Sep-2024	31-Dec-2023	30-Sep-2024	31-Dec-2023
	%	%	S\$'000	S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
UMS Pte Ltd (Singapore)	100	100	127,081	127,081
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
Integrated Manufacturing Technologies Pte Ltd (Singapore)	100	100	19,803	19,803
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
Kalf Engineering Pte Ltd (Singapore)	51	51	990	990
Starke Singapore Pte Ltd (Singapore)	70	70	7,076	7,076
Ultimate Mechanical System Sdn. Bhd. (Malaysia)	100	100	7,643	7,643
JEP Holdings Limited (Singapore)	80	77	71,786	67,618
Unquoted equity shares, at cost			295,512	291,344
Less: Provision for impairment			(24,788)	(24,788)
			<u>270,724</u>	<u>266,556</u>
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd. (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		
<u>Held through Kalf Engineering Pte. Ltd.</u>				
浙江凯富环境治理工程有限公司 (People's Republic of China)	51	51		
<u>Held through Starke Singapore Pte Ltd</u>				
Starke Asia Sdn. Bhd. (Malaysia)	70	70		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd</u>				
AllStar Manufacturing Sdn. Bhd. (Malaysia)	100	100		

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year. (cont'd)

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 30 September 2024 are as follows: (cont'd)

<u>Held through UMS Aerospace Pte Ltd</u> Integrated Manufacturing Technologies Inc. (United States)	100	100
<u>Held through JEP Holdings Limited</u> JEP Precision Engineering Pte Ltd (Singapore)	80	77
JEP Industrades Pte Ltd (Singapore)	80	77
Dolphin Engineering Pte Ltd (Singapore)	80	77
JEP Precision Engineering (M) Sdn. Bhd. (Malaysia)	80	77

Note 1(b)(i)(ii) – The net increase in cash and cash equivalents by S\$28.1 million (after netting-off bank borrowings) was mainly due to proceeds from Group's share placement in 1Q2024, net cash generated from operating activities partially offset by purchase of property, plant and equipment and payment of dividends during the period.

Note 1(b)(i)(iii) – Trade receivables and other current assets decreased by S\$0.5 million mainly due to lower sales offset by higher advance payment to suppliers.

Note 1(b)(i)(iv) – Trade and other payables decreased by S\$11.2 million, mainly due to lower material purchases and lower bonus provision during the period.

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit before income tax	11,936	17,480	34,064	51,235
Adjustments for:				
Depreciation expense	5,145	4,876	14,163	14,389
Amortisation of intangible assets	75	75	225	225
Property, plant and equipment written off	1	-	1	3
Write-back for stock obsolescence	-	17	-	(62)
Allowance for inventories obsolescence	3	(77)	870	137
(Gain)/loss on disposal of property, plant and equipment	(189)	(4)	122	(619)
Interest income	(720)	(424)	(1,844)	(848)
Interest expense	133	230	529	708
Fair value gain on financial assets through profit and loss	(87)	-	(686)	-
Unrealised foreign exchange gain	-	(202)	-	-
Operating cash flows before working capital changes	16,297	21,971	47,444	65,168
Changes in working capital:				
Trade receivables and other current assets	1,572	(3,707)	6,592	14,492
Inventories	881	(5,435)	(3,014)	(7,339)
Trade and other payables	1,205	(3,777)	(12,491)	(12,448)
Cash generated from operations	19,955	9,052	38,531	59,873
Income tax paid	(3,131)	(5,579)	(7,365)	(11,282)
Net cash generated from operating activities	16,824	3,473	31,166	48,591
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	103	1	626	730
Purchase of property, plant and equipment	(8,111)	(9,614)	(23,788)	(22,050)
Improvement to investment property	(25)	(3)	(25)	(32)
Proceeds from sale of quoted shares	-	8	-	129
Interest received	720	424	1,844	848
Net cash used in investing activities	(7,313)	(9,184)	(21,343)	(20,375)
Cash flows from financing activities				
Repayment of bank borrowings	(425)	(460)	(21,466)	(10,727)
Interest paid	(7)	(109)	(180)	(380)
	(432)	(569)	(21,646)	(11,107)
Repayment of lease liabilities	(345)	(320)	(1,011)	(1,029)
Repayment to Shareholder loan	-	-	-	(909)
Consideration paid for acquisition of non-controlling interest	-	(3,096)	(4,168)	(3,096)
Proceeds from issue of ordinary shares	-	-	51,600	-
Payment for share issue costs	-	-	(1,682)	-
Sale of treasury shares	-	-	-	1,892
Dividends paid	(8,526)	(6,705)	(24,158)	(20,116)
Net cash used in financing activities	(9,303)	(10,690)	(1,065)	(34,365)
Net increase/(decrease) in cash and cash equivalents	208	(16,401)	8,758	(6,149)
Net effect of exchange rate changes	(2,450)	96	(2,100)	255
Cash and cash equivalents at beginning of the period	76,358	72,083	67,458	61,672
Cash and cash equivalents at end of the period	74,116	55,778	74,116	55,778

- 1(d) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3Q			9 Months Ended		
	30-Sep-24 S\$'000	30-Sep-23 S\$'000	Change %	30-Sep-24 S\$'000	30-Sep-23 S\$'000	Change %
Net profit for the period	10,277	15,421	-33%	29,764	45,350	-34%
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	6,352	178	3469%	6,673	(3,606)	N.M
Total comprehensive income for the period	16,629	15,599	7%	36,437	41,744	-13%
Total comprehensive income attributable to:						
Owners of the parent	16,543	15,530	7%	36,152	40,725	-11%
Non- controlling interests	86	69	25%	285	1,019	-72%
	16,629	15,599	7%	36,437	41,744	-13%

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	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 2024	136,623	(145)	(21,471)	244,830	359,837	27,089	386,926
Changes in equity for first quarter							
Net profit for the period	-	-	-	9,802	9,802	228	10,030
Other comprehensive income/(loss) for the period- Exchange differences on translation of foreign operations	-	-	38	-	38	(191)	(153)
Total comprehensive income for the quarter	-	-	38	9,802	9,840	37	9,877
Consideration paid for acquisition of non-controlling interests	-	-	-	(289)	(289)	(375)	(664)
Issue of ordinary shares	51,600	-	-	-	51,600	-	51,600
Share issue costs	(1,682)	-	-	-	(1,682)	-	(1,682)
Balance at 31 March 2024	186,541	(145)	(21,433)	254,343	419,306	26,751	446,057
Changes in equity for second quarter							
Net profit for the period	-	-	-	9,318	9,318	139	9,457
Exchange differences on translation of foreign operations	-	-	451	-	451	23	474
Total comprehensive income for the quarter	-	-	451	9,318	9,769	162	9,931
Consideration paid for acquisition of non-controlling interests	-	-	-	(1,575)	(1,575)	(1,929)	(3,504)
Dividend paid	-	-	-	(15,632)	(15,632)	-	(15,632)
As at 30 June 2024	186,541	(145)	(20,982)	246,454	411,868	24,984	436,852
Changes in equity for third quarter							
Net profit/(loss) for the period	-	-	-	10,389	10,389	(112)	10,277
Exchange differences on translation of foreign operations	-	-	6,154	-	6,154	198	6,352
Total comprehensive income for the quarter	-	-	6,154	10,389	16,543	86	16,629
Dividend paid	-	-	-	(8,526)	(8,526)	-	(8,526)
As at 30 September 2024	186,541	(145)	(14,828)	248,317	419,885	25,070	444,955

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year. (cont'd)

	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
Group							
Balance at 1 January 2023	136,623	(891)	(16,814)	221,552	340,470	27,898	368,368
Changes in equity for first quarter							
Net profit for the period	-	-	-	17,359	17,359	321	17,680
Other comprehensive (loss)/ income for the period- Exchange differences on translation of foreign operations	-	-	(747)	-	(747)	8	(739)
Total comprehensive (loss)/ income for the quarter	-	-	(747)	17,359	16,612	329	16,941
Sales of treasury shares	-	746	-	1,146	1,892	-	1,892
Balance at 31 March 2023	136,623	(145)	(17,561)	240,057	358,974	28,227	387,201
Changes in equity for second quarter							
Net profit for the period	-	-	-	11,617	11,617	633	12,250
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(3,034)	-	(3,034)	(11)	(3,045)
Total comprehensive (loss)/ income for the quarter	-	-	(3,034)	11,617	8,583	622	9,205
Dividend paid	-	-	-	(13,411)	(13,411)	-	(13,411)
As at 30 June 2023	136,623	(145)	(20,595)	238,263	354,146	28,849	382,995
Changes in equity for third quarter							
Net profit for the period	-	-	-	15,338	15,338	82	15,420
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	192	-	192	(14)	178
Total comprehensive income for the quarter	-	-	192	15,338	15,530	68	15,598
Consideration paid for acquisition of non-controlling interests	-	-	-	-	-	(3,096)	(3,096)
Dividend paid	-	-	-	(6,705)	(6,705)	-	(6,705)
As at 30 September 2023	136,623	(145)	(20,403)	246,896	362,971	25,821	388,792

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year. (cont'd)

	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 2024	136,623	-	70,124	206,747
Changes in equity for first quarter				
Net loss for the period	-	-	(617)	(617)
Total comprehensive loss for the quarter	-	-	(617)	(617)
Issue of ordinary shares	51,600	-	-	51,600
Share issue costs	(1,682)	-	-	(1,682)
Balance at 31 March 2024	186,541	-	69,507	256,048
Changes in equity for second quarter				
Net profit for the period	-	-	7,615	7,615
Total comprehensive income for the quarter	-	-	7,615	7,615
Dividend paid	-	-	(15,632)	(15,632)
As at 30 June 2024	186,541	-	61,490	248,031
Changes in equity for third quarter				
Net loss for the period	-	-	(1,821)	(1,821)
Total comprehensive income for the quarter	-	-	(1,821)	(1,821)
Dividend paid	-	-	(8,526)	(8,526)
As at 30 September 2024	186,541	-	51,143	237,684

- 1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year. (cont'd)

	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 2023	136,623	(746)	89,973	225,850
Changes in equity for first quarter				
Net profit for the period	-	-	8,121	8,121
Total comprehensive income for the quarter	-	-	8,121	8,121
Sale of treasury shares	-	746	1,146	1,892
Balance at 31 March 2023	136,623	-	99,240	235,863
Changes in equity for second quarter				
Net loss for the period	-	-	(1,434)	(1,434)
Total comprehensive loss for the quarter	-	-	(1,434)	(1,434)
Dividend paid	-	-	(13,411)	(13,411)
As at 30 June 2023	136,623	-	84,395	221,018
Changes in equity for third quarter				
Net loss for the period	-	-	(910)	(910)
Total comprehensive loss for the quarter	-	-	(910)	(910)
Dividend paid	-	-	(6,705)	(6,705)
As at 30 September 2023	136,623	-	76,780	213,403

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State the number of shares that may be issued on conversion of all outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During first quarter, the Company completed the placement of 40,000,000 new ordinary shares in the capital of the Company at a placement price of S\$1.29.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2024 was 710,535,941 (31 December 2023: 670,535,941).

1(e)(iv) A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/ or use of treasury shares by the company during the third quarter ended 30 September 2024.

1(e)(v) A statement showing all sales, transfers, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/ or use of subsidiary holdings as at 30 September 2024.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by our external auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2023.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of the change.

The adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group for the current financial period ended 30 September 2024.

6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group			
	3Q		9 Months Ended	
	30-Sep-24	30-Sep-23	30-Sep-24	30-Sep-23
Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-				
(a) Based on the weighted average number of ordinary shares on issue	1.46 cents	2.29 cents	4.18 cents	6.61 cents
- Weighted average number of shares (excluding treasury shares)	710,535,941	670,535,941	706,010,394	670,407,827
(b) On a fully diluted basis	1.46 cents	2.29 cents	4.18 cents	6.61 cents
- Weighted average number of shares (excluding treasury shares)	710,535,941	670,535,941	706,010,394	670,407,827

- 7 **Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.**

	Group		Company	
	30-Sep-24	31-Dec-23	30-Sep-24	31-Dec-23
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	59.11 cents	53.69 cents	33.45 cents	30.83 cents
Total number of issued shares (excluding treasury shares)	710,535,941	670,535,941	710,535,941	670,535,941

- 8 **A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion on the following:**

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Revenue

9 Months 2024 vs 2023

	Group		
	9 Months Ended		
	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	147,100	200,548	-27%
Aerospace	18,763	15,242	23%
Others	9,022	10,601	-15%
	174,885	226,391	-23%

Geographical Regions

Singapore	119,662	161,662	-26%
United States of America ('US')	23,596	24,764	-5%
Taiwan	12,807	20,732	-38%
Malaysia	9,555	6,883	39%
Others	9,265	12,350	-25%
	174,885	226,391	-23%

Revenue

3Q2024 vs 3Q2023

	Group		
	3 Months Ended		
	30-Sep-24	30-Sep-23	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	55,123	63,045	-13%
Aerospace	7,451	5,162	44%
Others	2,370	3,053	-22%
	64,944	71,260	-9%

Geographical Regions

Singapore	44,700	51,878	-14%
United States of America ('US')	8,846	7,880	12%
Taiwan	3,703	5,661	-35%
Malaysia	4,593	1,994	130%
Others	3,102	3,847	-19%
	64,944	71,260	-9%

Revenue

3QFY2024

Group revenue fell 9% Y-o-Y to S\$64.9 million in 3QFY2024 from S\$71.3 million in 3QFY2023, but rose 16.1% Q-o-Q from S\$56 million in 2QFY2024. Sales have resumed quarterly growth since 1QFY2024.

The Group's Semiconductor segment sales fell 13% Y-o-Y from 3QFY2023 due to weaker global chip demand while revenue in Others declined 22% as its material and tooling distribution business was affected by the general business slowdown.

Lower Integrated System and Component sales resulted in the Group's semiconductor segment revenue decline. Semiconductor Integrated System sales fell 19% from S\$33.3 million in 3Q2023 to S\$27.1 million in 3Q2024 while component sales dipped 6% from S\$29.7 million in 3Q2023 to S\$28 million in 3Q2024.

The Group's Aerospace segment performance continued to improve - rising 44% - lifted by the sustained recovery in the aerospace industry.

On a Q-o-Q basis, the Group's semiconductor sales however jumped 19% on the back of higher integrated system shipments. Its Aerospace revenue also rose 19%. Revenue from its Others segment however remained soft - slumping 30%.

Compared to 3QFY2023, all the Group's key geographical markets (except Malaysia and US) posted lower revenue in 3QFY2024. Malaysia was the star performer -- reporting a sales surge of 130% mainly due to the commencement of business with the new major customer.

US revenue rose 12% mainly due to higher aerospace component sales.

Sales in Singapore slumped 14% on the back of lower semiconductor component sales while Taiwan revenue fell 35% on lower sales of component spares.

Sales in the "Others" markets also decreased 19% mainly due to weaker material/tooling distribution business.

However, on a Q-o-Q basis, sales in all of the Group's key markets - except for Taiwan and Others - improved. Singapore sales rose about 19% to S\$44.7 million from S\$37.6million, US sales increased 11.6% to S\$8.6 million from S\$7.9 million while Malaysia revenue grew 84% to S\$4.6 million from S\$2.5million.

9MFY2024

Group revenue fell 23% to S\$134.9 million in the first 9 months of this year from S\$226.4 million in 9MFY2023.

Semiconductor segment sales decreased 27% on the back of lower Semiconductor Integrated System sales which declined 36% to S\$69.3 million in 9M2024 vs S\$108.0 million in 9M2023 while component sales fell 16% from S\$92.6 million in 9M2023 to S\$77.8 million in 9M2024. Revenue in the Others segment also declined 15%.

The Group's aerospace revenue however grew 23% buoyed by the surge in global air travel during the period under review.

All of the Group's key geographic markets, except for Malaysia, reported lower sales.

Compared to 9MFY2023, revenue in Singapore shrank 26% in 9MFY2024, while sales in the US, Taiwan and Others fell 5%, 38% and 25% respectively.

New customer orders however boosted Malaysia sales by 39% during the period under review.

Profitability

3QFY2024

The Group remained profitable in the third quarter of 2024 with gross material margin improving to 51.7% from 51.2% of 3QFY2023.

The Group's bottomline also benefitted from higher finance income which increased 70% mainly due to higher interest income generated from higher cash balances from its share placement exercise in January 2024 and lower bank borrowings due to repayment of secured term loans.

On a Y-o-Y basis, the Group posted a 32% decline in net attributable profit to S\$10.4 million in 3QFY2024 from S\$15.3 million in 3QFY2023. Net profit also fell 33% to S\$10.3 million from S\$15.4 million while pre-tax profit decreased 32% to S\$11.9 million during the period under review.

Depreciation expenses increased 6% while other expenses increased 10% over last year - mainly due to increase in legal and professional fees (especially for the Group's secondary listing) as well as for the upkeep of property and machinery.

The Group also incurred a foreign exchange loss (vs a foreign exchange gain in 3QFY2023) which was partially offset by a gain from disposal of fixed assets. The foreign exchange loss was caused largely by the US Dollar depreciation.

Income tax expenses were also cut by 19% due to the lower profits.

However on a Q-o-Q basis, the Group's profitability improved compared to 2QFY2024. Net attributable profit grew 11.5% from S\$9.3million while net profit increased 8.6% to S\$10.3 million and pre-tax profit jumped 13.7% from S\$10.5 million.

9MFY2024

Gross material margin in 9M2024 increased to 52.8% from 49.2% in 9M2023 mainly due to a change in its product mix.

Group pre-tax profit however fell 34% to S\$34.1 million from S\$51.2 million in 9MFY2023 while Group net profit and net attributable profit also declined 34% to \$29.8 million and \$29.5 million respectively during the period under review.

The Group continued to cut its expenses - reducing its personnel costs, depreciation and other expenses by 7%, 2% and 2% respectively. Its income tax expenses were also reduced by 27% to S\$4.3 million in 9MFY2024 due to lower profits.

The Group's bottomline was lifted by higher finance income which surged 117% to over S\$1.8 million due to higher cash balances mainly attributed to its share placement exercise in January 2024.

Cashflow

3QFY2024

The Group's financial position strengthened during the quarter.

Overall, the Group's net cash increased by \$28.1 million from \$44.9 million on 31 Dec 2023 to \$73 million at the end of September 2024. The higher net cash was mainly due to proceeds from the Group's share placement in 1Q2024 which raised net cash of \$49.9 million.

The Group registered \$16.8 million (vs 3QFY2023: \$3.5 million) positive net cash from operating activities and a positive \$8.8 million (vs negative \$6.1 million in 3QFY2023) free cash flow in 3QFY2024.

The Group's cash position improved during the quarter, even after the Group repaid \$0.4 million of bank loan and paid out \$8.5 million in dividends to reward shareholders. In view of the robust cash generated, the Board decided to maintain its interim dividend of 1 cent for 3Q2024.

9MFY2024

The Group remained financially healthy during the nine month period. It registered \$31.2 million (vs \$48.6 million in 9MFY2023) positive net cash from operating activities. The lower operating cash flow was mainly due to lower profits. Its free cash flow remained positive - dipping to \$8.1 million from S\$27.3 million in 9MFY2023.

During the first nine months of this year, the Group invested S\$23.8 million in capex to drive its expansion plans in Malaysia and repaid \$21.5 million bank borrowings. The Group also rewarded shareholders with a total dividend payout of \$24.2 million during the period.

9 Where a forecast, or prospect statement has been previously disclosed to the 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 August 2024.

10 A commentary at the date of 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 has delivered another quarter of robust growth.

Group revenue and profits continued to improve on a Q-o-Q basis - riding on the back of the sustained international air travel boom and robust demand from its key customers.

The Group's sales and earnings have grown every quarter since 1QFY2024.

The Group's two key growth engines - Semiconductors and Aerospace - reported sales increases of 19% respectively this quarter compared to 2QFY2024.

The Group's gross margins also improved despite higher costs and challenging market conditions. Group profits have also grown quarter-on-quarter (Q-o-Q). Compared to 2QFY2024, Group pre-tax and net attributable profit posted double-digit improvements - rising 13.7% and 11.5% respectively.

During the quarter, the Group continued to secure more orders from its major new customer in Malaysia with more new product introductions (NPIs) expected in the coming months.

The outlook for the semiconductor industry appears to be promising.

A recent report by the Semiconductor Industry Association (SIA) and the Boston Consulting Group on the semiconductor supply chain forecast significant improvements in the resilience of the supply chain in both the U.S. and globally in coming years. The study shows that investments from the industry, facilitated by incentives under the CHIPS Act, are making progress in growing domestic semiconductor manufacturing and strengthening the U.S. economy.

U.S. fab capacity is projected to increase by 203% by 2032, a tripling of U.S. capacity. The U.S. is expected to increase its share of global fab capacity for the first time in decades, growing from 10% today to 14% by 2032.

The U.S. is forecast to grow its capabilities in critical technology segments, such as leading-edge fabrication, DRAM memory, analog and advanced packaging. For example, U.S. capacity for advanced logic will grow from 0% in 2022 to 28% by 2032, including new capabilities at the leading edge.

The U.S. will secure more than one-quarter (28%) of global capital expenditures between 2024-2032 – an estimated \$646 billion.¹

According to SEMI, Global spending on 300mm fab equipment is expected to reach a record US\$400 billion from 2025 to 2027, SEMI highlighted in its quarterly 300mm Fab Outlook Report. The robust spending is being driven by the regionalization of semiconductor fabs and the increasing demand for artificial intelligence - (AI) chips used in data centers and edge devices. Worldwide, 300mm fab equipment spending is projected to grow by 4% to US\$99.3 billion in 2024, and further increase by 24% to US\$123.2 billion in 2025, surpassing the US\$100 billion level for the first time. Spending is forecast to experience 11% growth to US\$136.2 billion in 2026 followed by a 3% increase to US\$140.8 billion in 2027.²

The Group remains confident of working closely with its key customers to benefit from rapidly rising demand for wafer fabrication equipment to produce high-value artificial intelligence (AI) chips which are experiencing phenomenal growth in global markets.

Signalling improving chip demand, the Group's new key customer has requested UMS to ramp up production in the coming months.

The Group is also well-placed to capitalise on the post-COVID aviation boom as air travel accelerates worldwide.

According to the Airports Council International Asia-Pacific and the Middle East (ACI), the Asia-Pacific region is set to dominate global air passenger traffic growth in the next 15 years, with the numbers projected to more than double the 2019 levels in that time, and hit 8.7 billion by 2042.³

Looking ahead, the Group's strong fundamentals and financial position will enable it to capitalize on these growth trends to deliver long-term returns to shareholders.

10 A commentary at the date of 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 Group's preparations for a secondary listing of its entire issued shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities") have commenced. This listing is part of the Group's overall strategy to unlock shareholder value and enable the Group to tap into different equity markets to support the Group's growth in the coming years.

Barring unforeseen circumstances, the Group expects to remain profitable in FY2024.

Source:

¹ Source: Emerging Resilience in the Semiconductor Supply Chain
<https://www.semiconductors.org/emerging-resilience-in-the-semiconductor-supply-chain/>

² Source: Global Semiconductor Industry Plans to Invest \$400 Billion in 300mm Fab Equipment Over Next Three Years, SEMI Reports - <https://www.semi.org/en/semi-press-releases/global-semiconductor-industry-plans-to-invest-%24400-billion-in-300mm-fab-equipment-over-next-three-years-semi-report>.<https://www.bloomberg.com/news/articles/2022-10-10/how-biden-s-chip-actions-may-be-broadest-china-salvo-yet>

³ Source: Asia Pacific set for take-off in global air traffic despite supply chain headwinds
<https://www.businesstimes.com.sg/international/asean/asia-pacific-set-take-global-air-traffic-despite-supply-chain-headwinds>

11 Dividend

(a) Current Financial Period Reported

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

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.2 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(c) Date payable

16 December 2024

(d) Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 December 2024, for the purpose of determining members' entitlements to the Third Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2024.

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 December 2024 will be registered before entitlement to the Third Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 5 December 2024 will be entitled to the Third Interim Dividend.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

		9 Months Period Ended 30 Sep 2024
Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$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	<p>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.</p> <p>The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd for the period ended 30 September 2024 amounted to S\$1,931,000 which represents approximately 0.65% of the Group's latest audited net tangible assets as at 31 December 2023.</p>	1,931

14 Use of proceeds

The Company raised net proceeds of approximately S\$49,918,000 from the placement of 40,000,000 shares pursuant to Proposed Subscription. The Proposed Subscription was completed on 31 January 2024. As at the date of this announcement, the utilization of net proceeds and the balance as follows:

	Allocation of net proceeds	Amount utilised	Balance
	S\$'000	S\$'000	S\$'000
Capital expenditure for the growth of the Group's business	29,950	(23,788)	6,162
General working capital purposes (including meeting general overheads and other operating expenses of the Group)	9,984	(9,984)	-
Future business developments through potential investments, acquisitions, joint ventures and collaborations	9,984	-	9,984
Total	49,918	(33,772)	16,146

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer

08 November 2024