

**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 2023**

	Notes	Group					
		3Q (3 months)			9 months ended		
		30 Sep 2023	30 Sep 2022	Change	30 Sep 2023	30 Sep 2022	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue		71,260	100,073	-29%	226,391	271,413	-17%
Net finance income/(expense)	(a)	194	(236)	N.M	140	(653)	N.M
Changes in inventories		9,315 <sup>▼</sup>	10,880	-14%	11,084	24,325	-54%
Raw material purchases and subcontractor charges		(44,107) <sup>▼</sup>	(60,452)	-27%	(126,037)	(156,910)	-20%
Employee benefits expense		(9,465)	(11,438)	-17%	(28,491)	(31,526)	-10%
Depreciation expense	(b)	(4,876)	(3,834)	27%	(14,389) <sup>▼</sup>	(11,314)	27%
Other expenses	(c)	(5,723)	(5,130)	12%	(18,840)	(15,494)	22%
Other credits	(d)	882	2,122	-58%	1,377	4,460	-69%
<b>Profit before income tax</b>		<b>17,480</b>	<b>31,985</b>	<b>-45%</b>	<b>51,235</b>	<b>84,301</b>	<b>-39%</b>
Income tax (expense)/credit	(e)	(2,059)	11,893	N.M	(5,885)	1,526	N.M
<b>Net profit for the period from continuing operations</b>		<b>15,421</b>	<b>43,878</b>	<b>-65%</b>	<b>45,350</b>	<b>85,827</b>	<b>-47%</b>
Profit attributable to :							
Owners of the parent		15,338	42,482	-64%	44,314	82,027	-46%
Non-controlling interest		83	1,396	-94%	1,036 <sup>▼</sup>	3,800	-73%
Total comprehensive income for the quarter		<b>15,421</b>	<b>43,878</b>	<b>-65%</b>	<b>45,350</b>	<b>85,827</b>	<b>-47%</b>

N.M. - Not meaningful

## **NOTES TO INCOME STATEMENT**

### **Note (a) Net finance income/(expense)**

Notes	Group					
	3Q (3 months)			9 months ended		
	30 Sep 2023	30 Sep 2022	Change	30 Sep 2023	30 Sep 2022	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash and cash equivalents	424	41	934%	848	150	465%
Interest expense on lease liabilities and hire purchases	(123)	(109)	13%	(325)	(333)	-2%
Interest expense from bank borrowings	(107)	(159)	-33%	(372) <span style="color: green;">✔</span>	(444)	-16%
Interest expense from loans from related parties	-	(9)	-100%	(11) <span style="color: green;">✔</span>	(26)	-58%
Net finance income/(expense)	(i) 194	(236)	-182%	140	(653)	-121%

Note 1(a)(i) Improvement in net finance income/(expense) was due to higher interest income and lower bank borrowings.

### **Note (b) Depreciation expense**

The increase in depreciation was mainly due to fixed assets additions during the period.

### **Note (c) Other expenses**

Notes	Group					
	3Q (3 months)			9 months ended		
	30 Sep 2023	30 Sep 2022	Change	30 Sep 2023	30 Sep 2022	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees	(i) (825)	(913)	-10%	(3,301) <span style="color: green;">✔</span>	(3,120)	6%
Utilities	(2,074)	(1,571)	32%	(6,488) <span style="color: green;">✔</span>	(4,590)	41%
Freight charges	(ii) (471)	(787)	-40%	(1,446)	(2,080)	-30%
Insurance	(206)	(220)	-6%	(585) <span style="color: green;">✔</span>	(603)	-3%
Upkeep of properties and equipment	(338)	(454)	-25%	(1,228) <span style="color: green;">✔</span>	(1,184)	4%
Upkeep of machinery	(iii) (770)	(750)	3%	(2,753) <span style="color: green;">✔</span>	(1,839)	50%
Others	(iv) (1,039)	(435)	139%	(3,039)	(2,078)	46%
		(5,723)	12%	(18,840)	(15,494)	22%

Note 1(a)(c)(i) – Professional fees relates mainly to amounts payable to the Group's sales consultant. Refer to note 13.

Note 1(a)(c)(ii) – Decrease in freight charges was due to lower purchases during the period.

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

Note 1(a)(c)(iv) – The increase in others in 3Q2023 was mainly due to the one-off reversal of tax-penalty provision for a Malaysian subsidiary in 3Q2022.

## Note (d) Other credits / (charges)

Notes	Group					
	3Q (3 months)			9 months ended		
	30 Sep 2023	30 Sep 2022	Change	30 Sep 2023	30 Sep 2022	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange gain - net	788	1,994	-60%	853	4,232	-80%
Gain on disposal of PPE	4	123	-97%	619	180	243%
Property, plant & equipment written off	-	-	N.M	(3)	(1)	321%
Write-back for stock obsolescence	17	-	N.M	62	-	N.M
Allowance for stock obsolescence	(77)	-	N.M	(137)	(209)	-34%
Amortisation of intangible assets	(75)	(75)	0%	(225)	(225)	0%
Others	225	80	181%	208	483	-57%
Other credits	(i) 882	2,122	-58%	1,377	4,460	-69%

Note 1(a)(d)(i) – Decrease in other credits/(charges) was due to lower foreign exchange gain.

## Note (e) Income tax

Notes	Group					
	3Q (3 months)			9 months ended		
	30 Sep 2023	30 Sep 2022	Change	30 Sep 2023	30 Sep 2022	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(2,198)	(96)	2193%	(6,066)	(10,390)	-42%
Prior years	139	11,989	-99%	181	11,916	-98%
(i)	(2,059)	11,893	-117%	(5,885)	1,526	-486%

Note 1(a)(e)(i) - Increase in income tax expense was due to the reversal of tax provision for one of its Malaysian subsidiary in Q3 FY2022.

**1(b) 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.**

		<b>Group</b>		<b>Company</b>	
		<b>30 Sep 2023</b>	<b>31 Dec 2022</b>	<b>30 Sep 2023</b>	<b>31 Dec 2022</b>
		<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and bank balances	(i)	55,778	61,672	298	1,073
Trade receivables and other current assets	(ii)	69,748	79,890	643	17,730
Financial assets through profit and loss		838	967	838	967
Loan to subsidiaries		-	-	5,370	5,486
Inventories		117,931	110,666	-	-
<b>Total Current Assets</b>		<b>244,295</b>	<b>253,195</b>	<b>7,149</b>	<b>25,256</b>
<b>Non-Current Assets</b>					
Investment in subsidiaries	(iii)	-	-	265,961	262,863
Property, plant and equipment		141,801	135,428	-	-
Right-of-use assets		10,453	10,952	-	-
Investment property		1,409	1,497	-	-
Intangible assets		88,026	88,251	-	-
Deferred tax assets		123	97	-	-
<b>Total Non-Current Assets</b>		<b>241,812</b>	<b>236,225</b>	<b>265,961</b>	<b>262,863</b>
<b>Total Assets</b>		<b>486,107</b>	<b>489,420</b>	<b>273,110</b>	<b>288,119</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current Liabilities</b>					
Bank borrowings		2,564	11,549	-	9,000
Trade and other payables	(iv)	50,578	57,947	59,707	53,269
Loan from related parties	(v)	-	909	-	-
Lease liabilities		770	761	-	-
Income tax payable		7,424	11,083	-	-
<b>Total Current Liabilities</b>		<b>61,336</b>	<b>82,249</b>	<b>59,707</b>	<b>62,269</b>
<b>Non Current Liabilities</b>					
Bank borrowings		16,619	18,361	-	-
Deferred tax liabilities		9,456	10,611	-	-
Long-term provision		405	405	-	-
Lease liabilities		9,499	9,426	-	-
<b>Total Non-Current Liabilities</b>		<b>35,979</b>	<b>38,803</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>		<b>97,315</b>	<b>121,052</b>	<b>59,707</b>	<b>62,269</b>
<b>Capital and Reserves</b>					
Share capital		136,623	136,623	136,623	136,623
Treasury shares		(145)	(891)	-	(746)
Reserves		(20,403)	(16,814)	-	-
Retained earnings		246,896	221,552	76,780	89,973
		<b>362,971</b>	<b>340,470</b>	<b>213,403</b>	<b>225,850</b>
<b>Non-controlling interest</b>		<b>25,821</b>	<b>27,898</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>		<b>388,792</b>	<b>368,368</b>	<b>213,403</b>	<b>225,850</b>
<b>Total Liabilities and Equity</b>		<b>486,107</b>	<b>489,420</b>	<b>273,110</b>	<b>288,119</b>

**1(b) 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) – The increase in net cash and cash equivalents by S\$4.8 million (after netting-off bank borrowing) was mainly due to the net cash generated from operating activities, offset by purchase of property, plant and equipment and payment of dividends during the same period.

Note 1(b)(ii) – Trade receivables and other current assets decreased by S\$10.1 million mainly due to lower sales during the period.

Note 1(b)(iii) Company Investment in Subsidiaries

The details of the subsidiaries as at 30 September 2023 are as follows:

<u>Name of subsidiaries</u>	<u>Effective percentage of equity held by the group</u>		<u>Company's cost of investment</u>	
	<u>30 Sep 2023</u>	<u>31 Dec 2022</u>	<u>30 Sep 2023</u>	<u>31 Dec 2022</u>
	<u>%</u>	<u>%</u>	<u>S\$'000</u>	<u>S\$'000</u>
<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)	76.14	72	67,023	63,925
Unquoted equity shares, at cost			290,749	287,651
Less: provision for impairment			(24,788)	(24,788)
			<u>265,961</u>	<u>262,863</u>

**1(b) 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).**

<u>Held through UMS International Pte Ltd</u>		
Ultimate Manufacturing Solutions (M) Sdn. Bhd. (Malaysia)	100.00	100.00
<u>Held through UMS Pte Ltd</u>		
UMS Solutions Pte Ltd (Singapore)	100.00	100.00
<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)	51.00	51.00
<u>Held through Starke Singapore Pte Ltd</u>		
Starke Asia Sdn. Bhd. (Malaysia)	70.00	70.00
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>		
AllStar Manufacturing Sdn. Bhd. (Malaysia)	100.00	100.00
<u>Held through UMS Aerospace Pte Ltd</u>		
Integrated Manufacturing Technologies Inc. (United States)	100.00	100.00
<u>Held through JEP Holdings Limited</u>		
JEP Precision Engineering Pte Ltd (Singapore)	76.14	74.00
<u>JEP Industrades Pte Ltd</u> (Singapore)	76.14	74.00
<u>Dolphin Engineering Pte Ltd</u> (Singapore)	76.14	74.00
<u>Dolphin Manufacturing Solutions Sdn Bhd</u> (Malaysia)	76.14	74.00

Note 1(b)(i)(iv) – Trade and other payables decrease by S\$7.37 million mainly due to lower purchases and lower provisions.

Note 1(b)(i)(v) – Loan from related parties were fully repaid during the year.

**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.**

Notes	Group			
	3Q (3 months)		9 months ended	
	30 Sep 2023	30 Sep 2022	30 Sep 2023	30 Sep 2022
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	17,479	31,985	51,235	84,302
Adjustments for:				
Depreciation expense	4,876	3,834	14,389	11,314
Property, plant and equipment written off	-	-	3	1
Write-back for stock obsolescence	17	-	(62)	-
Allowance for stock obsolescence	(77)	-	137	209
Gain on disposal of property, plant and equipment	(4)	(123)	(619)	(180)
Interest income	(424)	(41)	(848)	(150)
Interest expense	230	276	708	802
Amortisation of intangible assets	75	75	225	225
Unrealised foreign exchange loss	(202)	192	-	210
<b>Operating cashflows before working capital changes</b>	<b>21,970</b>	<b>36,198</b>	<b>65,168</b>	<b>96,733</b>
<b>Changes in working capital:</b>				
Trade receivables and other current assets	(3,707)	(9,499)	14,492	(11,996)
Inventories	(5,435)	(11,993)	(7,339)	(25,647)
Trade and other payables	(3,777)	7,148	(12,448)	8,214
<b>Cash generated from operations</b>	<b>9,051</b>	<b>21,854</b>	<b>59,873</b>	<b>67,304</b>
Income tax paid	(5,579)	(4,037)	(11,282)	(8,073)
<b>Net cash generated from operating activities</b>	<b>3,472</b>	<b>17,817</b>	<b>48,591</b>	<b>59,231</b>
<b>Cashflows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	1	643	730	700
Purchase of property, plant and equipment (i)	(9,614)	(20,792)	(22,050)	(33,068)
Improvement to investment property	(3)	-	(32)	-
Proceeds from sale of quoted shares	8	-	129	-
Investment in quoted shares	-	(181)	-	(1,343)
Net cashflows on investment in a subsidiary	(3,096)	(48)	(3,096)	(2,268)
Interest received	424	41	848	150
<b>Net cash used in investing activities</b>	<b>(12,280)</b>	<b>(20,337)</b>	<b>(23,471)</b>	<b>(35,829)</b>
<b>Cashflows from financing activities</b>				
Proceeds from bank borrowings	-	7,000	-	26,917
Repayment of bank borrowings	(460)	(10,742)	(10,727)	(35,664)
Interest paid	(109)	(163)	(380)	(464)
	(569)	(10,905)	(11,107)	(36,128)
Proceeds from sale of treasury shares	-	3,056	1,892	3,056
Repayment of lease liabilities	(320)	(534)	(1,029)	(1,506)
Repayment to related parties	-	-	(909)	-
Dividend paid	(6,705)	(6,668)	(20,116)	(20,004)
<b>Net cash used in financing activities</b>	<b>(7,594)</b>	<b>(8,051)</b>	<b>(31,269)</b>	<b>(27,665)</b>
Net decrease in cash and cash equivalents	(16,402)	(10,571)	(6,150)	(4,263)
Net effect of exchange rate changes	97	(1,330)	256	(2,247)
Cash and cash equivalents at beginning of the period	72,083	70,477	61,672	65,086
<b>Cash and cash equivalents at end of the period</b>	<b>55,778</b>	<b>58,576</b>	<b>55,778</b>	<b>58,576</b>

Note : 1c (i)

The reconciliation of purchase of property, plant and equipment ("PPE") is presented below:

	30 Sep 2023	30 Sep 2022
	S\$'000	S\$'000
<u>Purchase of property, plant and equipment</u>		
<b>Total additions</b>	22,491	17,446
Movement in downpayment to suppliers of PPE	(441)	15,622
<b>Net cash outflow</b>	<b>22,050</b>	<b>33,068</b>

**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.**

	<b>Group</b>					
	<b>3Q (3 months)</b>			<b>9 months ended</b>		
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>Change</b>	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Net profit for the period	15,421	43,878	-65%	45,350	85,827	-47%
Other comprehensive income/(loss), net of income tax:						
<i>Items that may be classified subsequently to profit &amp; loss:</i>						
Exchange differences on translation of foreign operations	178	(2,073)	-109%	(3,606)	(3,958)	-9%
Total comprehensive income for the period	15,599	41,805	-63%	41,744	81,869	-49%
Attributable to:						
Equity holders of the Company	15,530	40,523	-62%	40,725	78,221	-48%
Non-controlling interests	69	1,282	-95%	1,019	3,649	-72%
	15,599	41,805	-63%	41,744	81,870	-49%

**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.**

<b>GROUP</b>	Attributable to owners of the Company					<b>Non-Controlling Interests</b> S\$'000	<b>Total</b> S\$'000
	<b>Share Capital</b> S\$'000	<b>Treasury Shares</b> S\$'000	<b>Reserves</b> S\$'000	<b>Retained Earnings</b> S\$'000	<b>Total</b> S\$'000		
<b>Balance as at 1 January 2023</b>	136,623	(891)	(16,814)	221,552	340,470	27,898	368,368
<b>Changes in equity for first quarter</b>							
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)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(747)	17,359	16,612	329	16,941
Sale of treasury shares	-	746	-	1,146	1,892	-	1,892
<b>Balance as at 31 March 2023</b>	136,623	(145)	(17,561)	240,057	358,974	28,227	387,201
<b>Changes in equity for second quarter</b>							
Net profit for the period	-	-	-	11,617	11,617	633	12,250
Other comprehensive loss for the period - exchange differences on translation of foreign operations	-	-	(3,034)	-	(3,034)	(11)	(3,045)
<b>Total comprehensive (loss)/income for the period</b>	-	-	(3,034)	11,617	8,583	622	9,205
Dividend paid	-	-	-	(13,411)	(13,411)	-	(13,411)
<b>Balance as at 30 June 2023</b>	136,623	(145)	(20,595)	238,263	354,146	28,849	382,995
<b>Changes in equity for third quarter</b>							
Net profit for the period	-	-	-	15,338	15,338	82	15,420
Consideration paid for acquisition of non-controlling interests	-	-	-	-	-	(3,096)	(3,096)
Other comprehensive (loss)/income for the period - exchange differences on translation of foreign operations	-	-	192	-	192	(14)	178
<b>Total comprehensive (loss)/income for the period</b>	-	-	192	15,338	15,530	(3,028)	12,502
Dividend paid	-	-	-	(6,705)	(6,705)	-	(6,705)
<b>Balance as at 30 September 2023</b>	136,623	(145)	(20,403)	246,896	362,971	25,821	388,792

<b>GROUP</b>	<b>Attributable to owners of the Company</b>					<b>Non-</b>	<b>Total</b>
	<b>Share Capital</b>	<b>Treasury Shares</b>	<b>Reserves</b>	<b>Retained Earnings</b>	<b>Total</b>	<b>Controlling Interests</b>	
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance as 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 period</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 as 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>Balance as at 30 June 2022</b>	136,623	(2,064)	(13,513)	181,037	302,083	26,420	328,503
<b>Changes in equity for third quarter</b>							
Net profit for the period	-	-	-	42,482	42,482	1,396	43,878
Other comprehensive loss for the period - exchange differences on translation of foreign operations	-	-	(1,959)	-	(1,959)	(114)	(2,073)
<b>Total comprehensive (loss)/income for the quarter</b>	-	-	(1,959)	42,482	40,523	1,282	41,805
Dividend paid	-	-	-	(6,668)	(6,668)	-	(6,668)
Sale of treasury shares	-	1,173	-	1,883	3,056	-	3,056
effect on non-controlling interests on acquisition of a subsidiary	-	-	-	(85)	(85)	(162)	(247)
<b>Balance as at 30 September 2022</b>	136,623	(891)	(15,472)	218,649	338,909	27,540	366,449

**Attributable to owners of the Company**

<u>COMPANY</u>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total S\$'000</b>
<b>Balance as at 1 January 2023</b>	136,623	(746)	89,973	225,850
<b>Changes in equity for first quarter</b>				
Net profit for the period	-	-	8,121	8,121
<b>Total comprehensive income for the quarter</b>	-	-	8,121	8,121
Sale of treasury shares	-	746	1,146	1,892
<b>Balance as at 31 March 2023</b>	136,623	-	99,240	235,863
<b>Changes in equity for second quarter</b>				
Net loss for the period	-	-	(1,434)	(1,434)
<b>Total comprehensive expenses for the quarter</b>	-	-	(1,434)	(1,434)
Dividend paid	-	-	(13,411)	(13,411)
<b>Balance as at 30 June 2023</b>	136,623	-	84,395	221,018
<b>Changes in equity for third quarter</b>				
Net loss for the period	-	-	(910)	(910)
<b>Total comprehensive expenses for the quarter</b>	-	-	(910)	(910)
Dividend paid	-	-	(6,705)	(6,705)
<b>Balance as at 30 September 2023</b>	136,623	-	76,780	213,403
<u>COMPANY</u>	<b>Share Capital S\$'000</b>	<b>Treasury Shares S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total S\$'000</b>
<b>Balance as 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 as 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 expenses for the quarter</b>	-	-	24,111	24,111
Dividend paid	-	-	(13,336)	(13,336)
<b>Balance as at 30 June 2022</b>	136,623	(1,919)	97,352	232,056
<b>Changes in equity for third quarter</b>				
Net profit for the period	-	-	4,046	4,046
<b>Total comprehensive expenses for the quarter</b>	-	-	4,046	4,046
Sale of treasury shares	-	1,173	1,883	3,056
Dividend paid	-	-	(6,668)	(6,668)
<b>Balance as at 30 September 2022</b>	136,623	(746)	96,613	232,490

**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.**

There was no change in the Company's issued share capital since the last financial year ended 31 December 2022 to 30 September 2023.

**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 2023 was 670,535,941 (31 December 2022: 669,078,641).

**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.**

<u>Treasury Shares</u>	Number of shares
Balance as at 1 January 2023	3,750,000
Sold during YTDQ3FY2023	<u>(3,750,000)</u>
Balance as at 30 September 2023	<u>-</u>

**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 2023.

**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 2022.

**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 2023.

**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.**

	<u>30-Sep-23</u>	<u>3Q</u> <u>30-Sep-22</u>	<u>9 Months Ended</u>	
			<u>30-Sep-23</u>	<u>30-Sep-22</u>
Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-				
(a) Base on the weighted average number of ordinary shares on issue	2.29 cents	6.35 cents	6.61cents	12.29 cents
- Weighted average number of shares (excluding treasury shares)	670,535,941	669,078,641	670,407,827	667,558,573
(b) On a fully diluted basis	2.29 cents	6.35 cents	6.61cents	12.29 cents
- Weighted average number of shares (excluding treasury shares)	670,535,941	669,078,641	670,407,827	667,558,573

**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.**

	<u>30-Sep-23</u>	<u>Group</u> <u>31-Dec-22</u>	<u>Company</u> <u>30-Sep-23</u>	<u>31-Dec-22</u>
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	54.13 cents	50.89 cents	31.83 cents	33.76 cents
Total number of issued shares (excluding treasury shares)	670,535,941	669,078,641	670,535,941	669,078,641

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) seasonal or cyclical factors; and 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 2023 vs 2022

	<b>Group</b>		
	<b>9 Months Ended</b>		
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	200,548	238,351	-16%
Aerospace	15,242	10,799	41%
Others	10,601	22,263	-52%
	<b>226,391</b>	<b>271,413</b>	<b>-17%</b>

#### **Geographical Regions**

Singapore	161,662	189,379	-15%
United States of America ("US")	24,764	25,509	-3%
Taiwan	20,732	26,034	-20%
Malaysia	6,883	15,901	-57%
Others	12,350	14,590	-15%
	<b>226,391</b>	<b>271,413</b>	<b>-17%</b>

### Revenue

#### 3Q2023 vs 3Q2022

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>30 Sep 2023</b>	<b>30 Sep 2022</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	63,045	89,394	-29%
Aerospace	5,162	3,835	35%
Others	3,052	6,844	-55%
	<b>71,260</b>	<b>100,073</b>	<b>-29%</b>

#### **Geographical Regions**

Singapore	51,878	72,352	-28%
United States of America ("US")	7,880	8,940	-12%
Taiwan	5,661	8,984	-37%
Malaysia	1,994	5,761	-65%
Others	3,847	4,036	-5%
	<b>71,260</b>	<b>100,073</b>	<b>-29%</b>

## **Revenue**

Group revenue continued to show signs of stabilization in the latest quarter under review. While sales softened 29% to S\$71.3 million in 3QFY2023 from S\$100.1 million in 3QFY2022, revenue dipped about 4% compared to sales of S\$74.4 million recorded in 2QFY2023.

The weaker performance was due to lower sales from both its Semiconductor and Others businesses, which was partially lifted by a better performance from its Aerospace business.

Year over year, third quarter revenue in its Semiconductor segment fell 30% due to slower global semiconductor demand. Revenue in Others segment also decreased by 55% mainly due to the weaker material and tooling distribution business affected by the general business slowdown.

Revenue in Aerospace jumped 35% buoyed by the sustained recovery of the global aerospace industry.

Quarter over quarter, sales continued to stabilise in 3QFY2023. Semiconductor sales slipped just 3% and others revenue eased by 15% compared to 2QFY2023. Aerospace segment sales however dipped 13%.

The lower overall Semiconductor revenue was due to declines in both its Semiconductor Integrated System sales and Component sales. Semiconductor Integrated System sales fell 25% from S\$44.7 million in 3QFY2022 to S\$33.3 million in 3QFY2023 while revenue from component sales dropped 34% from S\$44.7 million in 3QFY2022 to S\$29.7 million in 3QFY2023.

All the Group's key geographical markets posted lower sales in 3QFY2023. Revenue in Singapore fell 28% compared to 3QFY2022 mainly due to lower overall semiconductor sales. US sales decreased 12% due to lower component sales for new equipment. Revenue in Taiwan declined 37% as a result of lower component spares sales and revenue in others eased 5%.

Weaker material and tooling distribution demand caused its revenue in Malaysia to plunge by 65%.

### **9MFY2023**

Group revenue fell 17% when compared to 9MFY2022 as global semiconductor demand remained soft.

Sales in the Semiconductor segment and others segment dropped 16% and 53% respectively while revenue in its Aerospace business soared 41% on the back of robust recovery in global aviation.

Semiconductor Integrated System sales inched up 1% to S\$108.0 million in 9MFY2023 from S\$106.6 million in 9MFY2022. During the same period, revenue from Component sales dived 30% to S\$92.7 million from S\$131.7 million.

All of the Group's key geographical markets reported softer sales.

Revenue in Singapore, US, Taiwan, Malaysia and Others decreased 15%, 3%, 20%, 57% and 15% respectively as compared to 9MFY2022.

## **Profitability**

### **3QFY2023**

Compared to 2QFY2023, the Group's 3QFY2023 bottom-line improved - indicating an upturn in performance. Group pre-tax profit grew 26.5% to S\$17.5 million in 3QFY2023 from S\$13.8 million in 2QFY2023 while net profit rose 25.9% to S\$15.4 million from S\$12.3 million in 2QFY2023 and net attributable profit climbed 32.0% to S\$15.3 million from S\$11.6 million in the same period.

Year-over-year, the Group posted a third quarter pre-tax profit decline of 45%, while net profit and net attributable profit fell 65% and 64% respectively.

The lower 3QFY2023 profit was caused by the Group's softer sales, lower foreign exchange gain, higher expenses as well as an increase in income tax due to the reversal of tax provision for one of its Malaysian subsidiaries in Q3 FY2022.

The Group however benefitted from lower personnel expenses (which fell 17%); and improved material margins which grew to 51.2% from 50.5% in 3QFY2022 - mainly due to higher USD/SGD exchange rates and better margins arising from the renewal of its integrated system contract with its key customer.

## 9MFY2023

Group pre-tax profit decreased 39% compared to S\$51.2 million in 9MFY2023 compared to S\$84.3 million in 9MFY2022. Net profit and net attributable profit fell 47% to S\$45.4 million and 46% to S\$44.3 million respectively.

The lower earnings were due to lower gross material margin which edged down to 49.2% from 51.2% in 9MFY2022, lower foreign exchange gain as well as higher expenses and increased income tax for one of its Malaysian subsidiaries. The Group's bottom-line however, benefitted from lower personnel costs and freight charges.

## Cash flow

The Group's financial position remains healthy.

## 3MFY2023

In 3QFY2023, the Group registered S\$3.5 million positive net cash (vs S\$17.8 million in 3QFY2022) from operating activities and a negative free cash flow of S\$6.1 million (vs -\$2.1million in 3QFY2022).

The lower net cash from operating activities was caused by some delay in receivables collection, payment of staff bonus and the inventory build-up in preparation for new projects.

## 9MFY2023

The Group maintained a positive net cash position.

It registered \$48.6 million positive net cash (vs S\$59.2 million in 9MFY2022) from operating activities and S\$27.3 million free cash flow (vs S\$26.9 million in 9MFY2022).

During the period, the Group also repaid bank borrowings of S\$10.7 million and cleared its balance of S\$0.9million in shareholder loan. The Group also disposed its treasury shares and paid out S\$20.1 million in dividend during the period.

Its net cash and cash equivalents (net of bank borrowings) improved to S\$36.6 million as at 30 September 2023 compared to S\$31.8 million as at 31 December 2022.

## Note 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's positive third quarter results underscored its operational resilience amid challenging market conditions and the benefits of its diversification strategy into the aerospace industry which is enjoying robust recovery in air travel worldwide.

While global chip demand remains soft, there are now signs of an industry rebound. Compared to 2QFY2023, Group sales continued to stabilize in 3QFY2023 while earnings recorded double digit growth.

Its robust Semiconductor business performance is mainly attributed to its Integrated System business, which forms a higher share in the global foundry sector.

The Group's performance in the coming months will be supported by the sanguine guidance of some major semiconductor equipment makers which expect "to deliver sustainable outperformance" going forward<sup>1</sup> and "tremendous growth vectors ahead and will be investing strategically to drive long-term outperformance."<sup>2</sup>

According to SEMI, a 2024 rebound is expected to continue through 2026, with wafer shipments setting new highs as silicon demand increases to support artificial intelligence (AI), high-performance computing (HPC), 5G, automotive and industrial applications.<sup>3</sup>

SEMI also predicts Fab equipment spending to recover to US\$97billion (rising 15.5% YoY) and Total Foundry capacity (including Foundry/IDM) to increase 7% in 2024. Investments into fab construction projects which hit a historical high in 2023 is expected to continue to a higher level in 2024.<sup>4</sup>

The Group's optimism is also lifted by its Aerospace business which is anticipated to accelerate on the wings of a sustained aviation rebound.

With the completion of its new production facilities in Penang, the Group is well poised to capture new growth opportunities on the horizon. Additional power supply for the factory is secured and machine installation is progressing well.

In view of the Group's robust performance and in line with its practice of consistently rewarding shareholders for their loyalty and support, the Board has recommended to maintain its interim dividend of 1.2 cents for 3QFY2023.

Barring unforeseen circumstances, the Group will stay profitable in FY2023.

**Source:**

1. Applied Materials Announces 3Q 2023 Results  
[https://www.printedelectronicsnow.com/contents/view\\_breaking-news/2023-08-18/applied-materials-announces-3q-2023-results/](https://www.printedelectronicsnow.com/contents/view_breaking-news/2023-08-18/applied-materials-announces-3q-2023-results/)
2. Lam Research Corporation Reports Financial Results for the Quarter Ended September 24, 2023  
<https://newsroom.lamresearch.com/2023-10-18-Lam-Research-Corporation-Reports-Financial-Results-for-the-Quarter-Ended-September-24.-2023>
3. Global Silicon Wafer Shipment Growth to Bounce Back in 2024 after 2023 decline, SEMI reports  
<https://www.semi.org/en/news-media-press-releases/semi-press-releases/global-silicon-wafer-shipment-growth-to-bounce-back-in-2024-after-2023-decline-semi-reports>
4. World Fab forecast  
[https://www.semi.org/en/products-services/market-data/world-fab-forecast?utm\\_source=google&utm\\_medium=cpc&utm\\_campaign=HQ-OA-20220307--MITGoogle&utm\\_content=136742692200&utm\\_term=chip%20making%20companies&utm\\_source=google&utm\\_medium=cpc&utm\\_device=c&utm\\_campaign=16510734446&utm\\_adgroup=136742692200&utm\\_extension=&utm\\_term=chip%20making%20companies&utm\\_landingpage=https://www.semi.org/en](https://www.semi.org/en/products-services/market-data/world-fab-forecast?utm_source=google&utm_medium=cpc&utm_campaign=HQ-OA-20220307--MITGoogle&utm_content=136742692200&utm_term=chip%20making%20companies&utm_source=google&utm_medium=cpc&utm_device=c&utm_campaign=16510734446&utm_adgroup=136742692200&utm_extension=&utm_term=chip%20making%20companies&utm_landingpage=https://www.semi.org/en)

**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)	1.2 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)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

**(b) Date payable**

15 December 2023

**(d) Record date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 5 December 2023, for the purpose of determining members' entitlements to the Third Interim Dividend of 1.2 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2023.

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 4 December 2023 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 4 December 2023 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.**

Name of interested person	Nature of Relationship	9 months ended 30th Sept 2023
		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
<b>Sure Achieve Consultant Pte Ltd</b>  Consultancy Services charges and commission	Transaction above is with Sure Achieve Consultant Pte Ltd which Mrs Sylvia SY Lee Luong is a director and shareholder. She is the wife of the CEO of the Group, Mr Luong Andy,  The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd for the period ended 30th Sept 2023 amounted to S\$2,638,000 which represents approximately 0.87% of the Group's latest unaudited net tangible assets as at 30th Sept 2023	2,638

**BY ORDER OF THE BOARD**

**Luong Andy**  
**Chief Executive Officer**

10 November 2023