

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**First 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 31 MARCH 2023**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	80,755	84,738	-5%
Net finance expense (Note (a))	(101)	(222)	-55%
Changes in inventories	6,228	582	970%
Raw material purchases and subcontractor charges	(46,443)	(41,763)	11%
Employee benefits expense	(9,757)	(10,239)	-5%
Depreciation expense	(4,607)	(3,645)	26%
Other expenses (Note (b))	(6,340)	(4,832)	31%
Other credits (Note (c))	207	795	-74%
<b>Profit before income tax</b>	<b>19,942</b>	<b>25,414</b>	<b>-22%</b>
Income tax expense (Note (d))	(2,262)	(4,725)	-52%
<b>Net profit for the period from continuing operations</b>	<b>17,680</b>	<b>20,689</b>	<b>-15%</b>
<b>Profit attributable to:</b>			
<b>Owners of the parent</b>	<b>17,359</b>	<b>19,371</b>	<b>-10%</b>
Non- controlling interest	321	1,318	-76%
	<b>17,680</b>	<b>20,689</b>	<b>-15%</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>			
Basic	<b>2.59</b>	<b>2.91</b>	
Diluted	<b>2.59</b>	<b>2.91</b>	

## **NOTES TO INCOME STATEMENT**

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

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest income from cash and cash equivalents	160	49	227%
Interest expense on lease liabilities	(98)	(107)	-8%
Interest expense from bank borrowings (Note (i))	(157)	(155)	1%
Interest expense from loans from related parties	(6)	(9)	-33%
Net finance expense	<b>(101)</b>	<b>(222)</b>	<b>-55%</b>

Note 1 (a)(a)(i) – The decrease in net finance expense during the quarter was mainly due to higher interest income, lower bank borrowings partially offset by higher interest rate.

### **Note (b) Other expenses**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Legal and professional fees (Note (i))	(800)	(719)	11%
Utilities (Note (ii))	(2,166)	(1,422)	52%
Freight charges	(617)	(696)	-11%
Insurance	(190)	(176)	8%
Upkeep of properties and equipment	(463)	(432)	7%
Upkeep of machinery (Note (iii))	(1,080)	(525)	106%
Others	(1,024)	(862)	19%
	<b>(6,340)</b>	<b>(4,832)</b>	<b>31%</b>

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

Note 1(a)(b)(ii) – The increase was mainly due to the implementation of ICPT (Imbalance cost pass-through) in Malaysia

Note 1(a)(b)(iii) – The increase was mainly due to more maintenance work done during the period.

**Note (c) Other credits/ (charges)**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Foreign exchange (losses) / gains - net (Note (i))	(208)	509	N.M
Gain on disposal of property, plant and equipment	412	-	N.M
Amortisation of intangible assets	(75)	(75)	0%
Others	78	361	-78%
	<b>207</b>	<b>795</b>	<b>-74%</b>

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

**Note (d) Income tax**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Income tax:			
- Current	(2,282)	(4,653)	-51%
- Prior years	20	(72)	N.M
	<b>(2,262)</b>	<b>(4,725)</b>	<b>-52%</b>

Note 1(a)(d) - The Group made high tax provision in 1Q2022 as one of the Malaysia Subsidiary (Ultimate Manufacturing Solution Sdn Bhd) was unable to comply with the stipulated % of local employee criteria to achieve the pioneer tax incentive. The Group's application for the reinstatement of its pioneer tax status received approval from the Malaysia Authorities in 3Q2022. Accordingly, the Group's tax provision after 3Q2022 decreased.

**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	
	31 Mar 2023 S\$'000	31 Dec 2022 S\$'000	31 Mar 2023 S\$'000	31 Dec 2022 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances (Note (ii))	70,682	61,672	780	1,073
Trade receivables and other current assets	72,369	79,890	14,583	17,730
Financial assets through profit or loss	846	967	846	967
Loan to subsidiary	-	-	5,802	5,486
Inventories	116,896	110,666	-	-
<b>Total Current Assets</b>	<b>260,793</b>	<b>253,195</b>	<b>22,011</b>	<b>25,256</b>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	262,863	262,863
Property, plant and equipment	137,216	135,428	-	-
Right-of-use assets	11,084	10,952	-	-
Investment property	1,458	1,497	-	-
Intangible assets	88,176	88,251	-	-
Deferred tax assets	119	97	-	-
<b>Total Non-Current Assets</b>	<b>238,053</b>	<b>236,225</b>	<b>262,863</b>	<b>262,863</b>
<b>Total Assets</b>	<b>498,846</b>	<b>489,420</b>	<b>284,874</b>	<b>288,119</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Bank borrowings (Note 1(b)(ii))	2,553	11,549	-	9,000
Trade and other payables	56,139	57,947	49,011	53,269
Loan from related parties (Note (iv))	909	909	-	-
Lease liabilities	573	761	-	-
Income tax payable	13,113	11,083	-	-
<b>Total Current Liabilities</b>	<b>73,287</b>	<b>82,249</b>	<b>49,011</b>	<b>62,269</b>
<b>Non Current Liabilities</b>				
Bank borrowings	17,723	18,361	-	-
Deferred tax liabilities	10,400	10,611	-	-
Long-term provision*	405	405	-	-
Lease liabilities	9,830	9,426	-	-
<b>Total Non-Current Liabilities</b>	<b>38,358</b>	<b>38,803</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>111,645</b>	<b>121,052</b>	<b>49,011</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	(17,561)	(16,814)	-	-
Retained earnings	240,057	221,552	99,240	89,973
	358,974	340,470	235,863	225,850
<b>Non-controlling interest</b>	<b>28,227</b>	<b>27,898</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>387,201</b>	<b>368,368</b>	<b>235,863</b>	<b>225,850</b>
<b>Total Liabilities and Equity</b>	<b>498,846</b>	<b>489,420</b>	<b>284,874</b>	<b>288,119</b>

\* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 March 2023 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Mar-2023 %	31-Dec-2022 %	31-Mar-2023 S\$'000	31-Dec-2022 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)	74	74	63,925	63,925
Unquoted equity shares, at cost			287,651	287,651
Less: Provision for impairment			(24,788)	(24,788)
			262,863	262,863
<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		

<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)	74	74
JEP Industrades Pte Ltd (Singapore)	74	74
Dolphin Engineering Pte Ltd (Singapore)	74	74
Dolphin Manufacturing Solutions Sdn Bhd (Malaysia)	74	74

Note 1(b)(i)(ii) – The net increase in cash and cash equivalents by S\$18.6 million (after netting-off bank borrowing) was mainly due to the net cash generated from operating activities, partially offset by capex of S\$4 million and repayment of bank borrowings during the period.

Note 1(b)(i)(iv) – The current loan from related parties relates to amount owing to minority shareholders of Starke Singapore Pte Ltd.

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.

	<b>Group</b>	
	<b>3 Months Ended</b>	
	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Profit before income tax	19,942	25,414
Adjustments for:		
Depreciation expense	4,607	3,645
Allowance for / (Reversal of) inventories obsolescence	(3)	-
Gain on disposal of property, plant and equipment	(412)	-
Interest income	(160)	(49)
Interest expense	261	271
Unrealised foreign exchange loss / (gain)	349	(54)
<b>Operating cash flows before working capital changes</b>	<b>24,659</b>	<b>29,302</b>
Changes in working capital:		
Trade receivables and other current assets	6,790	763
Inventories	(6,225)	(582)
Trade and other payables	(3,924)	(3,553)
<b>Cash generated from operations</b>	<b>21,300</b>	<b>25,930</b>
Income tax paid	(467)	(1,195)
<b>Net cash generated from operating activities</b>	<b>20,833</b>	<b>24,735</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment (i)	(4,235)	(5,993)
Proceeds from disposal of property, plant and equipment	418	-
Proceeds from sale of quoted shares	121	-
Investment in quoted shares	-	(1,090)
Consideration paid for acquisition of non-controlling interests	-	(358)
Interest received	160	49
<b>Net cash used in investing activities</b>	<b>(3,536)</b>	<b>(7,392)</b>
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	(9,634)	(9,273)
Interest paid	(157)	(155)
	(9,791)	(9,428)
Sale of treasury shares	1,892	-
Repayment of lease liabilities	(359)	(499)
<b>Net cash used in financing activities</b>	<b>(8,258)</b>	<b>(9,927)</b>
Net increase in cash and cash equivalents	9,039	7,416
Net effect of exchange rate changes	(29)	(442)
Cash and cash equivalents at beginning of the period	61,672	65,086
<b>Cash and cash equivalents at end of the period</b>	<b>70,682</b>	<b>72,060</b>

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

<b>Note 1c(i)</b>	<b>31-Mar-23</b>	<b>31-Mar-22</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Purchase of property, plant and equipment</b>		
<b>Total additions</b>	6,638	5,993
Movement in downpayment to suppliers of PPE	(2,403)	-
<b>Net cash outflow</b>	<b>4,235</b>	<b>5,993</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.

	Group		
	3 Months Ended		
	31-Mar-23 S\$'000	31-Mar-22 S\$'000	Change %
<b>Net Profit for the period</b>	17,680	20,689	-15%
Other comprehensive income, net of income tax:			
<i>Items that may be classified subsequently to profit and loss:</i>			
Exchange differences on translation of foreign operations	(739)	(336)	120%
<b>Total comprehensive income for the period</b>	16,941	20,353	-17%
<b>Attributable to:</b>			
Equity holders of the Company	16,612	19,052	-13%
Non-controlling interests	329	1,301	-75%
	16,941	20,353	-17%



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	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total S\$'000
<b>Group</b>							
<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>	<u>136,623</u>	<u>(2,064)</u>	<u>(11,984)</u>	<u>175,123</u>	<u>297,698</u>	<u>26,411</u>	<u>324,109</u>

	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>Group</b>							
<b>Balance 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 quarter</b>	-	-	(747)	17,359	16,612	329	16,941
Sales of treasury shares	-	746	-	1,146	1,892	-	1,892
<b>Balance at 31 March 2023</b>	<u>136,623</u>	<u>(145)</u>	<u>(17,561)</u>	<u>240,057</u>	<u>358,974</u>	<u>28,227</u>	<u>387,201</u>

	Attributable to owners of the Company			
	Share Capital	Treasury	Retained	Total
	S\$'000	Shares	Earnings	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

	Attributable to owners of the Company			
	Share Capital	Treasury	Retained	Total
	S\$'000	Shares	Earnings	S\$'000
<b>Company</b>				
<b>Balance 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 at 31 March 2023</b>	136,623	-	99,240	235,863

- 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 31 March 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 31 March 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.**

During the quarter, the Company sold 1,457,300 treasury shares for S\$1,892,000 and recognized a gain on the sales of S\$1,146,000 in the retained earnings account.

**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 31 March 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 31 March 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.**

Group	
3 Months Ended	
31-Mar-23	31-Mar-22

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	2.59 cents	2.91 cents
- Weighted average number of shares (excluding treasury shares)	670,147,328	666,785,941
(b) On a fully diluted basis	2.59 cents	2.91 cents
- Weighted average number of shares (excluding treasury shares)	670,147,328	666,785,941

**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	
	31-Mar-23	31-Dec-22	31-Mar-23	31-Dec-22
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	53.54 cents	50.89 cents	35.18 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) 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**  
**1Q2023 vs 1Q2022**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-23</b>	<b>31-Mar-22</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	72,878	73,345	-1%
Aerospace	4,146	2,959	40%
Others	3,731	8,434	-56%
	<b>80,755</b>	<b>84,738</b>	<b>-5%</b>
<b>Geographical Regions</b>			
Singapore	59,315	57,675	3%
United States of America ('US')	8,512	7,744	10%
Taiwan	5,970	8,098	-26%
Malaysia	3,059	5,262	-42%
Others	3,899	5,959	-35%
	<b>80,755</b>	<b>84,738</b>	<b>-5%</b>

**Revenue**

**1QFY2023**

Group revenue in 1QFY2023 remained relatively stable, easing 5% to S\$80.8 million compared to S\$84.7 million in 1QFY2022.

This was mainly due to the 1% dip in the Group's semiconductor sales and the 56% revenue decline in the "Others" segment.

The "Others" segment was impacted by the absence of the delivery of Kalf 's water disinfection system and a slowdown in the Group's material distribution business.

The Group's Aerospace business continued to enjoy robust growth - soaring 40% compared to 1QFY2022.

On a sequential basis - compared to 4QFY2022, its Semicon segment sales fell 14% while revenue in the "Others" segment dived 69% due mainly to the absence of contribution from Kalf's water disinfection system delivery and the weaker material distribution business.

The Group's Semiconductor Integrated System sales remained strong, surging 37% from S\$29.9 million in 1QFY2022 to S\$40.9 million in 1QFY2023. Revenue from component sales however slid 26% from S\$43.4 million in 1Q2022 to S\$32.0 million in 1QFY2023. The decline in component sales is mainly attributed to the weaker demand from back-end semiconductor customers.

The Group's Aerospace sales stayed stable at about S\$4.1 million compared to S\$4.2 million in 4QFY2022.

Geographically, all the Group's key markets, except Singapore and the US, reported lower revenue in 1QFY2023.

Sales in Singapore inched up 3% as compared to 1QFY2022 on the back of higher shipment of semiconductor Integrated System sales which was partially offset by lower semicon back-end related component sales.

Higher component sales for new equipment helped boost US sales by 10%.

Taiwan revenue dropped 26% on lower sales of component spares. Revenue in Malaysia shrank 42% compared to the past corresponding period due to the slowdown in the material distribution business.

## Profitability

### 1QFY2023

In terms of profitability, the Group reported a 15% decline in net profit to S\$17.7 million vs S\$20.7 million in 1QFY2022. Net attributable profit also eased 10% to S\$17.4 million from S\$19.4 million in the same period last year. Pre-tax profit also fell 22% to S\$19.9 million during the period under review.

The Group's bottomline was affected mainly by higher expenses and a foreign exchange loss of S\$0.2 million arising from the weaker US dollar.

Depreciation expenses rose 26% mainly due to fixed assets addition while Other expenses jumped 31% over last year. Upkeep of machinery shot up 106% compared to last year due to more maintenance work. Utilities increased 52% arising from the implementation of ICPT (Imbalance cost past-through) in Malaysia. Professional fees also went up 11% during the quarter.

The Group however benefitted from a 5% decline in personnel costs and a \$0.4million gain from disposal of fixed assets, as well as a 52% decrease in income tax provision after the pioneer status reinstatement for one of its subsidiaries in Malaysia.

On a sequential basis, the Group's net profit improved about 10% to S\$17.7 million compared to S\$16.1 million in 4QFY2022. Group net attributable profit also rose 8% during the same period.

The Group's gross material margin in 1QFY2023 stayed relatively stable at 50.2% vs 51.4% in 1QFY2022. This is mainly due to lower US dollar exchange rates.

Compared to 4QFY2022, the Group's 1QFY2023 gross material margin improved about 8% from 46.6%.

## Cashflow

### 1QFY2023

The Group's financial position remains robust. It registered positive net cash of \$20.8 million from operating activities and a free cashflow of S\$17.0 million in 1QFY2023 compared to S\$24.7million and S\$18.7 million respectively in the same period last year.

During the quarter, the Group repaid \$9.6 million of bank borrowings and sold its remaining treasury shares.

The Group's net cash grew by \$18.6 million from \$31.8 million at the end of Dec 2022 to \$50.4 million at the end of March 2023.

## 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 28 February 2023.

## 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 started the year with a commendable performance amidst challenging global economic conditions and a softening semiconductor sector.

The global semiconductor market cooled considerably during the second half of last year, and that trend persisted into the first quarter of 2023.

SEMI predicts global fab equipment spending for front-end facilities to decrease 22% year-on-year (YoY) to US\$76 billion in 2023 from a record high of US\$98 billion in 2022 before rising 21% year-on-year to US\$92 billion in 2024.<sup>1</sup>

According to the Semiconductor Industry Association (SIA) - despite the current short-term cyclical downturn, the long-term outlook for the semiconductor market remains strong due to the ever-increasing role of chips in powering the critical technologies of today and tomorrow.<sup>2</sup>

Given these global trends, UMS expects semiconductor demand for the next three months to be softer.

Going forward, the Group will continue to build on its strengths and expand its capacity with the completion of its new production facilities in Penang Malaysia. Its Factory 1 is already completed and Factory 2 is on schedule to complete by mid-2023. The Group is currently working with the Malaysian authorities to secure additional power supply.

In view of the robust 1Q performance of the Group, the Board will maintain its interim dividend of 1 cent per share to reward shareholders.

Barring unforeseen circumstances, the Group will remain profitable in 2023.

1 Source: <https://www.semi.org/en/news-media-press-releases/semi-press-releases/global-fab-equipment-spending-on-track-for-2024-recovery-after-2>

2 Source : <https://www.semiconductors.org/global-semiconductor-sales-decrease-5-2-month-to-month-in-january/>

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

### (c) Date payable

27 July 2023.

### (d) Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 14 July 2023, for the purpose of determining members' entitlements to the First Interim Dividend of 1.0 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 13 July 2023 will be registered before entitlement to the First Interim Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 13 July 2023 will be entitled to the First 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.

		3 Months Period Ended 31 March 2022
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
<b>Sure Achieve Consultant Pte Ltd</b>		
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 31 March 2023 amounted to S\$613,000 which represents approximately 0.22% of the Group's latest audited net tangible assets as at 31 December 2022.</p>	613

**BY ORDER OF THE BOARD**

**Luong Andy**  
Chief Executive Officer

10 May 2023