

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 2020

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Revenue	34,868	28,602	22%
Net finance expense (Note (a))	(65)	(156)	-58%
Changes in inventories	(1,134)	(6,576)	-83%
Raw material purchases and subcontractor charges	(15,155)	(6,817)	122%
Employee benefits expense	(4,544)	(3,950)	15%
Depreciation expense (Note (b))	(1,848)	(1,697)	9%
Other expenses (Note (c))	(2,846)	(2,502)	14%
Other credits/ (charges) (Note (d))	1,685	(64)	N.M
Share of profits of associate	853	458	86%
Profit before income tax	11,814	7,298	62%
Income tax expense (Note (e))	(1,009)	(550)	83%
Net profit for the period from continuing operations	10,805	6,748	60%
Profit attributable to:			
Owners of the parent	10,701	6,977	53%
Non- controlling interest	104	(229)	N.M
	10,805	6,748	60%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income/ (expense)

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Interest income from cash and cash equivalents	76	36	111%
Interest expense on lease liabilities	(52)	(52)	0%
Interest expense from bank borrowings (Note (i))	(21)	(72)	-71%
Interest expense from loans from related parties	(68)	(68)	0%
Net finance expense	<u>(65)</u>	<u>(156)</u>	<u>-58%</u>

Note 1 (a)(a)(i) – The decrease in interest expense from bank borrowings was due to lower short term borrowings during the period.

Note (b) Depreciation expense

The increase in depreciation was mainly due to fixed assets additions during the second half of FY2019

Note (c) Other expenses

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(595)	(637)	-7%
Utilities	(854)	(802)	6%
Freight charges (Note (ii))	(200)	(89)	125%
Insurance	(100)	(100)	0%
Upkeep of properties and equipment	(111)	(119)	-7%
Upkeep of machinery (Note (iii))	(447)	(314)	42%
Others	(539)	(441)	22%
	<u>(2,846)</u>	<u>(2,502)</u>	<u>14%</u>

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) – The increase was mainly due higher material purchases and freight rates during the period.

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

Note (d) Other credits/ (charges)

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Foreign exchange gains/ (losses)- net (Note (i))	1,466	(15)	N.M
Gain on disposal of property, plant and equipment	164	1	N.M
Property, plant & equipment written off	-	(72)	-100%
Others	55	22	150%
	1,685	(64)	N.M

Note 1(a)(d)(i) – The exchange gain was mainly due to the appreciation of the US dollar during the period.

Note (e) Income tax

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Income tax:			
- Current	(1,009)	(570)	77%
- Prior years	-	20	-100%
	(1,009)	(550)	83%

Note 1(a)(e) - The increase in current income tax was due to higher 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	
	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000	31 Mar 2020 S\$'000	31 Dec 2019 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	38,847	34,364	3,993	178
Trade receivables and other current assets (Note (iii))	27,165	22,072	5,611	5,602
Loan to subsidiary	-	-	5,031	3,791
Inventories	50,612	51,746	-	-
Total Current Assets	116,624	108,182	14,635	9,571
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	201,306	201,306
Property, plant and equipment	51,390	52,307	-	-
Right-of-use assets (Note (iv))	4,158	4,237	-	-
Investment property	1,795	1,832	-	-
Investment in associate (Note (v))	41,222	39,397	37,270	36,298
Goodwill	81,211	81,211	-	-
Deferred tax assets	47	47	-	-
Total Non-Current Assets	179,823	179,031	238,576	237,604
Total Assets	296,447	287,213	253,211	247,175
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 1(b)(ii))	7,079	9,334	-	-
Trade and other payables (Note (vi))	20,536	18,760	46,283	37,691
Loan from related parties (Note (vii))	1,403	1,403	-	-
Lease liabilities (Note (viii))	261	262	-	-
Income tax payable	3,691	2,754	58	58
Total Current Liabilities	32,970	32,513	46,341	37,749
Non Current Liabilities				
Loan from related parties (Note (vii))	3,770	3,626	-	-
Deferred tax liabilities	2,119	2,127	-	-
Long-term provision*	405	405	-	-
Lease liabilities (Note (viii))	3,624	3,656	-	-
Total Non-Current Liabilities	9,918	9,814	-	-
Total Liabilities	42,888	42,327	46,341	37,749
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Treasury shares	(1,919)	-	(1,919)	-
Reserves	(10,792)	(10,823)	-	-
Retained earnings	128,166	117,465	72,166	72,803
	252,078	243,265	206,870	209,426
Non-controlling interest	1,481	1,621	-	-
Total Equity	253,559	244,886	206,870	209,426
Total Liabilities and Equity	296,447	287,213	253,211	247,175

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 March 2020 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Mar-2020	31-Dec-2019	31-Mar-2020	31-Dec-2019
	%	%	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
Integrated Manufacturing Technologies Inc. (United States)	100	100	8,196	8,196
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	825	825
Unquoted equity shares, at cost			225,104	225,104
Less: Provision for impairment			(23,798)	(23,798)
			<u>201,306</u>	<u>201,306</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)	100	100		
<u>Held through Starke Singapore Pte Ltd</u>				
Starke Asia Sdn. Bhd. (Malaysia)	100	100		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
AllStar Manufacturing Sdn. Bhd. (Malaysia)	100	100		

Note 1(b)(i)(ii) – The net increase in cash and cash equivalents by S\$6.7 million (after netting-off short-term borrowing) was mainly due to net cash generated from operating activities, partially offset by S\$1.0 million investment in JEP Holdings Ltd and S\$1.9 million in UMS share buy back.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$5.1 million, which were mainly due to higher sales made in the month of March 2020.

Note 1(b)(i)(iv) – The recognition of right-of-use assets from the adoption of the new SFRS(I) 16 *Leases*.

Note 1(b)(i)(v) – Investment in associates relate to the Group's 39.69% equity interest investment in JEP Holdings Ltd. The Group has recognised its share of profit of JEP Holdings Ltd for the period.

Note 1(b)(i)(vi) – Trade and other payables increased by S\$1.8 million, which were mainly due to higher purchase made during the period.

Note 1(b)(i)(vii) – The current loan from related parties relates to amount owing to minority shareholders of Starke Singapore Pte Ltd and the non-current loan from related parties relates to loan from Full City Investments Ltd. Refer to note 13.

Note 1(b)(i)(viii) – Lease liabilities arose from the adoption of the new SFRS(I) 16 *Leases*, which relates to the present value of future lease payments due to the lessors.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 2020			As at 31 Dec 2019		
Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
-	7,079	7,079	-	9,334	9,334

Details of any collateral

Not applicable

- 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.

	Group	
	3 Months Ended	
	31-Mar-20	31-Mar-19
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before income tax	11,814	7,298
Adjustments for:		
Depreciation expense	1,848	1,697
Property, plant and equipment written off	-	72
Gain on disposal of property, plant and equipment	(164)	(1)
Interest income	(76)	(36)
Interest expense	141	192
Share of profit of associate	(853)	(458)
Unrealised foreign exchange gain	(1,424)	(188)
Operating cash flows before working capital changes	11,286	8,576
Changes in working capital:		
Trade receivables and other current assets	(4,251)	(4,059)
Inventories	1,069	6,560
Trade and other payables	1,419	1,069
Cash generated from operations	9,523	12,146
Income tax paid	(71)	(248)
Net cash generated from operating activities	9,452	11,898
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	170	13
Purchase of property, plant and equipment	(764)	(1,209)
Investment in associate	(972)	(38)
Interest received	76	36
Net cash used in investing activities	(1,490)	(1,198)
Cash flows from financing activities		
Repayment of bank borrowings	(2,700)	(1,000)
Purchase of treasury shares	(1,919)	-
Repayment of loan from related parties	-	(74)
Repayment of lease liabilities	(95)	-
Interest paid	(21)	(192)
Net cash used in financing activities	(4,735)	(1,266)
Net effect of exchange rate changes	1,256	23
Net increase in cash and cash equivalents	4,483	9,457
Cash and cash equivalents at beginning of the period	34,364	18,926
Cash and cash equivalents at end of the period	38,847	28,383

- 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-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Net Profit for the period	10,805	6,748	60%
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	(213)	301	-171%
Total comprehensive income for the period	10,592	7,049	50%
Attributable to:			
Equity holders of the Company	10,732	7,255	48%
Non-controlling interests	(140)	(206)	-32%
	10,592	7,049	50%

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
Group							
Balance at 1 January 2019	136,623	-	(10,683)	102,612	228,552	1,909	230,461
Adoption of SFRS(I) 16	-	-	-	72	72	-	72
Adjusted balance as at 1 January 2019	136,623	-	(10,683)	102,684	228,624	1,909	230,533
Changes in equity for first quarter							
Net profit for the period	-	-	-	6,977	6,977	(229)	6,748
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	278	-	278	23	301
Total comprehensive income for the quarter	-	-	278	6,977	7,255	(206)	7,049
Balance at 31 March 2019	136,623	-	(10,405)	109,661	235,879	1,703	237,582

	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 2020	136,623	-	(10,823)	117,465	243,265	1,621	244,886
Changes in equity for first quarter							
Net profit for the period	-	-	-	10,701	10,701	104	10,805
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	31	-	31	(244)	(213)
Total comprehensive income for the quarter	-	-	31	10,701	10,732	(140)	10,592
Purchase of treasury shares	-	(1,919)	-	-	(1,919)	-	(1,919)
Balance at 31 March 2020	136,623	(1,919)	(10,792)	128,166	252,078	1,481	253,559

	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 2019	136,623	-	68,649	205,272
Changes in equity for first quarter				
Net loss for the period	-	-	(1,034)	(1,034)
Total comprehensive expenses for the quarter	-	-	(1,034)	(1,034)
Balance at 31 March 2019	136,623	-	67,615	204,238

	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 2020	136,623	-	72,803	209,426
Changes in equity for first quarter				
Net loss for the period	-	-	(637)	(637)
Total comprehensive expenses for the quarter	-	-	(637)	(637)
Purchase of treasury shares	-	(1,919)	-	(1,919)
Balance at 31 March 2020	136,623	(1,919)	72,166	206,870

- 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 2019 to 31 March 2020.

Treasury Shares

During the period, the Company purchased 3,000,000 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (31 December 2019: Nil).

- 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 2020 was 533,429,579 (31 December 2019: 536,429,579).

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 first quarter ended 31 December 2020.

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 2020.

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 2019.

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 2020.

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>Group</u>	
<u>3 Months Ended</u>	
<u>31-Mar-20</u>	<u>31-Mar-19</u>

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	2.01 cents	1.31 cents
- Weighted average number of shares (excluding treasury shares)	533,429,579	536,429,579
 (b) On a fully diluted basis	 2.01 cents	 1.31 cents
- Weighted average number of shares (excluding treasury shares)	533,429,579	536,429,579

- 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-20	31-Dec-19	31-Mar-20	31-Dec-19
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	47.62 cents	45.35 cents	38.78 cents	39.04 cents
Total number of issued shares (excluding treasury shares)	533,429,579	536,429,579	533,429,579	536,429,579

- 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
1Q2020 vs 1Q2019**

	Group		
	3 Months Ended		
	31-Mar-20	31-Mar-19	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	31,716	27,022	17%
Others	3,152	1,580	99%
	34,868	28,602	22%
Geographical Regions			
Singapore	21,930	17,207	27%
United States of America ('US')	6,242	5,291	18%
Taiwan	5,433	5,201	4%
Malaysia	802	640	25%
Others	461	263	75%
	34,868	28,602	22%

Revenue

The Group's 1QFY2020 performance improved with overall revenue rising 22% to S\$34.9 million from S\$28.6 million in the corresponding quarter last year. Sales from both its core business divisions went up.

The 17% increase in Semiconductor sales had stemmed from a 3% rise in sales of Semiconductor Integrated System to S\$12.9 million and 29% increase in component sales to S\$18.8 million in 1Q2020. Revenue in Other segments which shot up by 99% was mainly derived from Starke Singapore's material distribution business.

Revenue from Semiconductor and Other segments declined by 14% and 12% respectively compared to its 4QFY2019.

Decline in sales from the previous quarter was mainly a result of the movement control order (MCO) in Malaysia, which led to the Group's Malaysia operations being halted temporarily from 18 March 2020 to 6 April 2020. The Group's Penang facilities have since resumed normal operations on April 29, 2020.

All of the Group's key markets registered higher sales.

Sales from Singapore rose 27% compared to 1QFY2019, mainly due to higher shipments of Semiconductor Integrated System and material distribution sales. Malaysia performed well, clocking in a 25% increase in revenue during the same period due mainly to higher material distribution sales.

Revenue in US and Taiwan also grew 18% and 4% respectively on the back of improved component sales.

Higher material distribution sales also helped lift revenue in the Others segment by 75% from S\$0.3 million in 1QFY2019 to S\$0.5 million.

Profitability

The Group's 1QFY2020 net profit surged 60% when compared to 1QFY2019 – booking a net profit of S\$11.3 million versus \$6.7 million in 1QFY2019, while net profit attributable to shareholders went up by 53% during the same period.

The Group's net profit this quarter was also 16% higher than its 4QFY2019 net profit.

Overall gross material margin of 53.3% in 1QFY2020 is comparable to 1QFY2019 of 53.2%. Increase in higher margin component sales was offset by lower margin material distribution sales. The Group's bottom line was boosted by higher contributions from its associate company, JEP Holdings Ltd (JEP). Its share of profit climbed 86% compared to the same period last year.

The Group also benefited from a foreign exchange gain of S\$1.5 million and S\$0.2 million from the disposal of fixed assets during the first quarter of the year.

The Group's personnel cost went up 15% as higher bonus provisions were made, while the 14% rise in other expenses stemmed from increased freight charges as a result of higher material purchases and freight rates. Cost of machinery maintenance carried out during the period also rose by 42%.

Cashflow

The Group's financial position remains robust. Its net cash grew by S\$6.7 million to S\$31.8 million from S\$25.0 million. The Group registered free cash flow of S\$8.9 million in 1QFY2020, a dip from S\$10.7 million in 1QFY2019. Inventories decreased by S\$1.1 million, whilst trade receivable and other current assets increased by S\$4.3 million.

The Group had invested S\$1.0 million to increase its shareholding in JEP, S\$1.9 million to purchase treasury shares and pared down S\$2.7 million in bank borrowings.

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 24 February 2020.

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 first quarter performance demonstrates the robust improvement in customer demand.

This strong start to the year is now moderated by market uncertainty created by the ongoing coronavirus pandemic.

Worldwide semiconductor revenue is forecast to decline 0.9% in 2020, according to Gartner, Inc. This is down from the previous quarter's forecast of 12.5% growth.¹

In addition to the supply chain disruptions caused by the outbreak, tough government measures to contain the contagion, have also weighed on the industry.

The global semiconductor industry is also predicted to see a dip in capital expenditure (capex).

According to IC Insights, the semiconductor capex is expected to decline by 3% compared to 2019 due primarily to spending cutbacks by the three leading memory suppliers – Samsung, SK Hynix and Micron – which accounted for a combined spending of US\$39.7 billion in 2019. The forecast is a 15% decline to US\$33.6 billion in 2020.²

The Group expects some challenges in the near term due to supply chain disruptions, manpower constraints and other issues from the COVID 19 fallout. The long-term outlook however remains positive due to the acceleration of 5G, AI and other technology-driven developments such as Smart Cities and the increased demand for data. Data center and communications infrastructure sectors will prove more resilient as both public and private sector organizations continue to drive strategic investments required to support increased remote working and online access which have accelerated in the light of the COVID 19 pandemic.

Barring any unforeseen circumstances, the Group will remain profitable in 2020.

[¹Source: Gartner Forecasts Worldwide Semiconductor Revenue to Decline 0.9% in 2020 Due to Coronavirus Impact - <https://www.gartner.com/en/newsroom/press-releases/2020-04-09-gartner-forecasts-worldwide-semiconductor-revenue-to-0>]

[²Source: Global Semiconductor Capex Forecast to Drop 3% in 2020 - <https://www.eetimes.com/global-semiconductor-capex-forecast-to-drop-3-in-2020/>]

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

(c) Date payable

28 July 2020

(d) Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 17 July 2020, 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 2020.

Duly completed registrable transfers received by the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to the close of business at 5.00 p.m. on 16 July 2020 will be registered before entitlement to the First Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 16 July 2020 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 2020
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
Kalf Engineering Pte Ltd Interest expenses from Shareholders loan	Kalf Engineering Pte Ltd ("Kalf") is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest. Transaction above is with Full City Investments Ltd in which Mr. Luong Andy is a director and shareholder. The aggregate value of Interested person transactions entered into between Kalf and Full City Investments Ltd for the period ended 31 March 2020 amounted to S\$59,000 which represents approximately 0.04% of the Group's latest audited net tangible assets as at 31 December 2019.	59
Sure Achieve Consultant Pte Ltd Consultancy Services charges and commission	Transaction above is with Sure Achieve Consultant Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and shareholder. She is the wife of the CEO of the Group, Mr. Luong Andy. The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd for the period ended 31 March 2020 amounted to S\$514,000 which represents approximately 0.31% of the Group's latest audited net tangible assets as at 31 December 2019.	514

14 **Negative confirmation pursuant to Rule 705 (5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1Q2020 and the period ended 31 March 2020 financial results to be false or misleading in any material respect.

15 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer

12 May 2020