



Company Registration No. 200100340R

# **UMS Holdings Limited and its subsidiaries**

Unaudited Condensed Interim Financial Statements  
For the six-month financial period ended 30 June 2024

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

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## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim consolidated income statement For the six-month financial period ended 30 June 2024

	<b>Group</b>					
	<b>2Q</b>			<b>6 Months Ended</b>		
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>Change</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue (Note 4.1)	55,953	74,376	-25%	109,941	155,131	-29%
Changes in inventories	2,006	(4,458)	N.M.	3,027	1,770	71%
Raw material purchases and subcontractor charges	(28,026)	(35,488)	-21%	(54,318)	(81,931)	-34%
Employee benefits expense	(8,258)	(9,269)	-11%	(16,910)	(19,026)	-11%
Depreciation expense	(4,735)	(4,905)	-3%	(9,018)	(9,512)	-5%
Amortisation of intangible asset	(75)	(75)	0%	(150)	(150)	0%
Other expenses (Note 6.2)	(6,936)	(6,777)	2%	(12,141)	(13,117)	-7%
Other credits (Note 6.3)	85	363	-77%	969	645	50%
Finance income (Note 6.1)	669	265	152%	1,124	425	164%
Finance expense (Note 6.1)	(179)	(218)	-18%	(396)	(479)	-17%
<b>Profit before income tax</b>	<b>10,504</b>	<b>13,814</b>	<b>-24%</b>	<b>22,128</b>	<b>33,756</b>	<b>-34%</b>
Income tax expense (Note 7)	(1,047)	(1,564)	-33%	(2,641)	(3,826)	-31%
<b>Net profit for the period from continuing operations</b>	<b>9,457</b>	<b>12,250</b>	<b>-23%</b>	<b>19,487</b>	<b>29,930</b>	<b>-35%</b>
<b>Profit attributable to:</b>						
<b>Owners of the parent</b>	<b>9,318</b>	<b>11,617</b>	<b>-20%</b>	<b>19,120</b>	<b>28,976</b>	<b>-34%</b>
Non- controlling interest	139	633	-78%	367	954	-62%
	<b>9,457</b>	<b>12,250</b>	<b>-23%</b>	<b>19,487</b>	<b>29,930</b>	<b>-35%</b>
<b>Earnings per share attributable to owners of the Company (cents per share)</b>						
Basic	<b>1.31</b>	<b>1.73</b>		<b>2.72</b>	<b>4.32</b>	
Diluted	<b>1.31</b>	<b>1.73</b>		<b>2.72</b>	<b>4.32</b>	

N.M - Not meaningful

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim consolidated statement of comprehensive income As at 30 June 2024

	Group					
	2Q			6 Months Ended		
	30-Jun-24 S\$'000	30-Jun-23 S\$'000	Change %	30-Jun-24 S\$'000	30-Jun-23 S\$'000	Change %
Net profit for the period	9,457	12,250	-23%	19,487	29,930	-35%
Other comprehensive income/(loss), net of income tax						
<i>Items that may be classified subsequently to profit and loss:</i>						
Exchange differences on translation of foreign operations	474	(3,045)	N.M	321	(3,784)	N.M
<b>Total comprehensive income for the period</b>	<b>9,931</b>	<b>9,205</b>	<b>8%</b>	<b>19,808</b>	<b>26,146</b>	<b>-24%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the parent	9,769	8,583	14%	19,609	25,195	-22%
Non- controlling interests	162	622	-74%	199	951	-79%
	<b>9,931</b>	<b>9,205</b>	<b>8%</b>	<b>19,808</b>	<b>26,146</b>	<b>-24%</b>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim statement of financial position As at 30 June 2024

	Group		Company	
	30-Jun-2024 S\$'000	31-Dec-2023 S\$'000	30-Jun-2024 S\$'000	31-Dec-2023 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances	76,358	67,458	687	400
Trade receivables and other current assets	55,253	56,239	42,488	11,060
Financial assets through profit or loss	1,185	586	1,185	586
Loan to subsidiaries	-	-	18,630	5,467
Inventories	113,787	110,760	-	-
<b>Total Current Assets</b>	<b>246,583</b>	<b>235,043</b>	<b>62,990</b>	<b>17,513</b>
<b>Non-Current Assets</b>				
Investments in subsidiaries	-	-	270,724	266,556
Property, plant and equipment (Note 12)	157,350	152,719	-	-
Right-of-use assets	10,498	9,915	-	-
Investment property (Note 13)	1,287	1,368	-	-
Intangible assets (Note 11)	87,801	87,951	-	-
Deferred tax assets	173	169	-	-
<b>Total Non-Current Assets</b>	<b>257,109</b>	<b>252,122</b>	<b>270,724</b>	<b>266,556</b>
<b>Total Assets</b>	<b>503,692</b>	<b>487,165</b>	<b>333,714</b>	<b>284,069</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Bank borrowings (Note 14)	1,392	6,790	-	4,000
Trade and other payables	38,500	49,646	85,615	73,176
Lease liabilities	1,672	1,932	-	-
Income tax payable	6,634	7,580	68	146
<b>Total Current Liabilities</b>	<b>48,198</b>	<b>65,948</b>	<b>85,683</b>	<b>77,322</b>
<b>Non Current Liabilities</b>				
Bank borrowings (Note 14)	108	15,751	-	-
Lease liabilities	8,914	7,999	-	-
Deferred tax liabilities	9,215	10,136	-	-
Long-term provision*	405	405	-	-
<b>Total Non-Current Liabilities</b>	<b>18,642</b>	<b>34,291</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities</b>	<b>66,840</b>	<b>100,239</b>	<b>85,683</b>	<b>77,322</b>
<b>Capital and Reserves</b>				
Share capital (Note 15)	186,541	136,623	186,541	136,623
Treasury shares (Note 15.1)	(145)	(145)	-	-
Reserves	(20,982)	(21,471)	-	-
Retained earnings	246,454	244,830	61,490	70,124
	411,868	359,837	248,031	206,747
<b>Non-controlling interest</b>	<b>24,984</b>	<b>27,089</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>436,852</b>	<b>386,926</b>	<b>248,031</b>	<b>206,747</b>
<b>Total Liabilities and Equity</b>	<b>503,692</b>	<b>487,165</b>	<b>333,714</b>	<b>284,069</b>

\* Provision for reinstatement of leased premises.

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim statements of changes in equity  
For the six-month financial period ended 30 June 2024**

	Attributable to owners of the Company						
	Share Capital	Treasury Shares	Foreign Exchange Translation Reserve	Retained Earnings	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>							
<b>Balance at 1 January 2024</b>	136,623	(145)	(21,471)	244,830	359,837	27,089	386,926
<b>Changes in equity for first quarter</b>							
Net profit for the period	-	-	-	9,802	9,802	228	10,030
Other comprehensive income/(loss) for the period- Exchange differences on translation of foreign operations	-	-	38	-	38	(191)	(153)
<b>Total comprehensive income for the quarter</b>	-	-	38	9,802	9,840	37	9,877
Consideration paid for acquisition of non-controlling interests	-	-	-	(289)	(289)	(375)	(664)
Issue of ordinary shares	51,600	-	-	-	51,600	-	51,600
Share issue costs	(1,682)	-	-	-	(1,682)	-	(1,682)
<b>Balance at 31 March 2024</b>	<u>186,541</u>	<u>(145)</u>	<u>(21,433)</u>	<u>254,343</u>	<u>419,306</u>	<u>26,751</u>	<u>446,057</u>
<b>Changes in equity for second quarter</b>							
Net profit for the period	-	-	-	9,318	9,318	139	9,457
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	451	-	451	23	474
<b>Total comprehensive income for the quarter</b>	-	-	451	9,318	9,769	162	9,931
Consideration paid for acquisition of non-controlling interests	-	-	-	(1,575)	(1,575)	(1,929)	(3,504)
Dividend paid	-	-	-	(15,632)	(15,632)	-	(15,632)
<b>As at 30 June 2024</b>	<u>186,541</u>	<u>(145)</u>	<u>(20,982)</u>	<u>246,454</u>	<u>411,868</u>	<u>24,984</u>	<u>436,852</u>

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Condensed interim statements of changes in equity  
For the six-month financial period ended 30 June 2024

	Attributable to owners of the Company						
	Share Capital	Treasury Shares	Foreign Exchange Translation Reserve	Retained Earnings	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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>
<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 quarter</b>	-	-	(3,034)	11,617	8,583	622	9,205
Dividend paid	-	-	-	(13,411)	(13,411)	-	(13,411)
<b>As at 30 June 2023</b>	<u>136,623</u>	<u>(145)</u>	<u>(20,595)</u>	<u>238,263</u>	<u>354,146</u>	<u>28,849</u>	<u>382,995</u>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Condensed interim statements of changes in equity For the six-month financial period ended 30 June 2024

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
<b>Company</b>				
<b>Balance at 1 January 2024</b>	136,623	-	70,124	206,747
<b>Changes in equity for first quarter</b>				
Net loss for the period	-	-	(617)	(617)
<b>Total comprehensive loss for the quarter</b>	-	-	(617)	(617)
Issue of ordinary shares	51,600	-	-	51,600
Share issue costs	(1,682)	-	-	(1,682)
<b>Balance at 31 March 2024</b>	186,541	-	69,507	256,048
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	7,615	7,615
<b>Total comprehensive income for the quarter</b>	-	-	7,615	7,615
Dividend paid	-	-	(15,632)	(15,632)
<b>As at 30 June 2024</b>	186,541	-	61,490	248,031
<b>Attributable to owners of the Company</b>				
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total 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
<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>As at 30 June 2023</b>	136,623	-	84,395	221,018



**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim consolidated cash flow statement  
For the six-month financial period ended 30 June 2024**

	Group			
	2Q		6 Months Ended	
	30-Jun-24 S\$'000	30-Jun-23 S\$'000	30-Jun-24 S\$'000	30-Jun-23 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	10,504	13,814	22,128	33,756
Adjustments for:				
Depreciation expense	4,735	4,905	9,018	9,512
Amortisation of intangible assets	75	75	150	150
Property, plant and equipment written off	-	3	-	3
Allowance for inventories obsolescence	387	137	867	135
(Gain)/loss on disposal of property, plant and equipment	-	(203)	311	(615)
Interest income	(669)	(265)	(1,124)	(425)
Interest expense	179	218	396	479
Fair value gain on financial assets through profit and loss	(386)	-	(599)	-
Unrealised foreign exchange (gain)/loss	-	(147)	-	202
<b>Operating cash flows before working capital changes</b>	<b>14,825</b>	<b>18,537</b>	<b>31,147</b>	<b>43,197</b>
Changes in working capital:				
Trade receivables and other current assets	(475)	11,410	5,020	18,200
Inventories	(2,393)	4,321	(3,895)	(1,904)
Trade and other payables	(3,630)	(4,748)	(13,696)	(8,672)
<b>Cash generated from operations</b>	<b>8,327</b>	<b>29,520</b>	<b>18,576</b>	<b>50,821</b>
Income tax paid	(4,037)	(5,236)	(4,234)	(5,703)
<b>Net cash generated from operating activities</b>	<b>4,290</b>	<b>24,284</b>	<b>14,342</b>	<b>45,118</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	3	311	523	729
Purchase of property, plant and equipment (a)	(8,327)	(8,201)	(15,677)	(12,436)
Improvement to investment property	-	(29)	-	(29)
Proceeds from sale of quoted shares	-	-	-	121
Consideration paid for acquisition of non-controlling interests	(3,504)	-	(4,168)	-
Interest received	669	265	1,124	425
<b>Net cash used in investing activities</b>	<b>(11,159)</b>	<b>(7,654)</b>	<b>(18,198)</b>	<b>(11,190)</b>

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Condensed interim consolidated cash flow statement  
For the six-month financial period ended 30 June 2024**

	<b>Group</b>			
	<b>2Q</b>		<b>6 Months Ended</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from financing activities</b>				
Repayment of bank borrowings	(16,394)	(633)	(21,041)	(10,267)
Interest paid	(55)	(114)	(173)	(271)
	(16,449)	(747)	(21,214)	(10,538)
Repayment of lease liabilities	(329)	(350)	(666)	(709)
Repayment to Shareholder loan	-	(909)	-	(909)
Proceeds from issue of ordinary shares	-	-	51,600	-
Payment for share issue costs	-	-	(1,682)	-
Sale of treasury shares	-	-	-	1,892
Dividend paid	(15,632)	(13,411)	(15,632)	(13,411)
<b>Net cash (used in)/generated from financing activities</b>	<b>(32,410)</b>	<b>(15,417)</b>	<b>12,406</b>	<b>(23,675)</b>
Net (decrease)/increase in cash and cash equivalents	(39,279)	1,213	8,550	10,253
Net effect of exchange rate changes	(18)	187	350	157
Cash and cash equivalents at beginning of the period	115,655	70,682	67,458	61,672
<b>Cash and cash equivalents at end of the period</b>	<b>76,358</b>	<b>72,082</b>	<b>76,358</b>	<b>72,082</b>

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

<b>Note (a)</b>	<b>Group</b>	
	<b>30-Jun-24</b>	<b>30-Jun-23</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Purchase of property, plant and equipment</b>		
<b>Total additions</b>	13,632	15,435
Movement in downpayment to suppliers of PPE	2,045	(2,999)
<b>Net cash outflow</b>	<b>15,677</b>	<b>12,436</b>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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#### 1. Corporate information

UMS Holdings Limited (the “Company”) is a public limited company incorporated and domiciled in Singapore, and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The controlling shareholder of the Company is Mr Luong Andy.

The principal activity of the Company is investment holding. The principal activities of the Group are:

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

#### 2. Basis of Preparation

The condensed financial statements for the three month and half year ended 30 June 2024 have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the financial year ended 31 December 2023.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The financial statements, which are expressed in Singapore Dollar (“S\$”), are rounded to the nearest thousand dollar (S\$’000), except as otherwise indicated.

##### 2.1 New and amended standards adopted by the Group

A number of amendments to standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

##### 2.2 Use of judgements and estimates

In the application of the Group’s accounting policies, which are described in Note 3 to the consolidated financial statements (“Annual Report 2023”), management are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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

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

##### (a) Key Sources of Estimation Uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

##### Useful lives of property, plant and equipment and investment property

The Group determines the estimated useful lives and related depreciation charges for its property, plant and equipment and investment property. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment and investment property of a similar nature and function. It could change significantly as a result of technical innovations and competitor actions. Management will increase the depreciation charge where the useful lives are less than previously estimated, or it will write-off or write-down technically obsolete assets that have been abandoned or sold.

There is no change in the estimated useful lives of property, plant and equipment and investment property during the financial year. The carrying amounts of property, plant and equipment and investment property of the Group as at 30 June 2024 amounted to S\$157,350,000 (Dec 2023: S\$152,719,000) and S\$1,287,000 (Dec 2023: S\$1,368,000) respectively.

##### Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which goodwill has been allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

##### Impairment of loan and receivables

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECLs"). The ECLs on trade receivables are estimated using a provision matrix which involves grouping receivables according to historical loss patterns (e.g. customer rating or product or by geographical location) and applying a historic provision rate which is based on days past due for groupings of various customer segments that have similar loss patterns. In devising such a provision matrix, the Group uses its historical credit loss experience with forward-looking information (adjusted as necessary to reflect current conditions and forecast economic conditions) to estimate the lifetime expected credit losses on the trade receivables and contract assets. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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

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

###### (b) Critical Judgements in applying Accounting Policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the interim consolidated financial statements are discussed below.

###### Allowance for inventories obsolescence

Reviews are made periodically by management on inventories for excess inventories, obsolescence and decline in net realisable value below cost. The Group writes down the cost of inventories whenever the net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. Allowances are recorded against the inventories based on historical obsolescence of slow-moving inventories.

#### 3 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

#### 4. Financial Information by Segments

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

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

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

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

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

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2024

4.1 Revenue by Business Segments and Geographical Areas

Revenue

6 Months 2024 vs 2023

	Group		
	6 Months Ended		
	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Semiconductor (Semicon)	91,977	137,710	-33%
Aerospace	11,312	10,080	12%
Others	6,652	7,341	-9%
	109,941	155,131	-29%
<b>Geographical Regions</b>			
Singapore	74,962	109,784	-32%
United States of America ('US')	14,750	16,884	-13%
Taiwan	9,104	15,071	-40%
Malaysia	4,962	4,889	1%
Others	6,163	8,503	-28%
	109,941	155,131	-29%

Revenue

2Q2024 vs 2Q2023

	Group		
	3 Months Ended		
	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Semiconductor (Semicon)	46,327	64,832	-29%
Aerospace	6,253	5,934	5%
Others	3,373	3,610	-7%
	55,953	74,376	-25%
<b>Geographical Regions</b>			
Singapore	37,583	50,469	-26%
United States of America ('US')	7,925	8,372	-5%
Taiwan	4,416	9,101	-51%
Malaysia	2,528	1,830	38%
Others	3,501	4,604	-24%
	55,953	74,376	-25%

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

#### 4.2 Business Segments

	Semiconductor		Aerospace		Others		Total	
	30-Jun-24 S\$'000	30-Jun-23 S\$'000	30-Jun-24 S\$'000	30-Jun-23 S\$'000	30-Jun-24 S\$'000	30-Jun-23 S\$'000	30-Jun-24 S\$'000	30-Jun-23 S\$'000
<b>12 Months Ended 31 December</b>								
<b>Group</b>								
Sales to external parties	91,977	137,710	11,312	10,080	6,652	7,341	109,941	155,131
<b>Segment results</b>	<b>20,798</b>	<b>32,911</b>	<b>978</b>	<b>434</b>	<b>352</b>	<b>411</b>	<b>22,128</b>	<b>33,756</b>
Material non-cash items include:								
Depreciation expense	7,565	7,830	1,115	1,257	338	425	9,018	9,512
Allowance for inventories obsolescence	867	214	-	-	-	-	867	214
Write-back of inventories obsolescence	-	(79)	-	-	-	-	-	(79)
Property, plant and equipment written off	-	3	-	-	-	-	-	3
Loss/(gain) on disposal of property, plant and equipment	311	(246)	-	(369)	-	-	311	(615)
<b>Disaggregation of revenue</b>								
At a point in time - sales of goods	91,977	137,710	11,312	10,080	6,289	7,089	109,578	154,879
Over time - rental income	-	-	-	-	363	252	363	252
Total revenue	91,977	137,710	11,312	10,080	6,652	7,341	109,941	155,131

	Semiconductor		Aerospace		Others		Total	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Total assets	874,645	828,536	46,227	48,844	41,709	36,026	962,581	913,406
Total liabilities	290,469	265,710	13,613	14,580	19,534	14,359	323,616	294,649

	Group	
	30-Jun-24 S\$'000	31-Dec-23 S\$'000
Total assets for reportable segments	962,581	913,406
Elimination of inter-segment assets	(458,889)	(426,241)
Total assets	503,692	487,165
Total liabilities for reportable segments	323,616	294,649
Elimination of inter-segment liabilities	(256,776)	(194,410)
Total liabilities	66,840	100,239

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2024**

**4.3 Geographical Segments**

<u>Group</u>	Singapore		USA		Taiwan		Malaysia		Others		Total	
	<u>30-Jun-24</u>	<u>30-Jun-23</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>	<u>30-Jun-24</u>	<u>30-Jun-23</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b><u>6 Months Ended 30 June</u></b>												
<b>Group</b>												
Sales to external parties	74,962	109,784	14,750	16,884	9,104	15,071	4,962	4,889	6,163	8,503	109,941	155,131

	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Other geographical information:												
Non-current assets:												
Property, plant and equipment	76,414	77,956	76	76	-	-	80,860	74,687	-	-	157,350	152,719
Investment property	1,287	1,368	-	-	-	-	-	-	-	-	1,287	1,368
Intangible asset	1,450	1,600	-	-	-	-	-	-	-	-	1,450	1,600
Goodwill	85,427	85,427	-	-	-	-	924	924	-	-	86,351	86,351
Right-of-use assets	9,404	9,634	793	46	-	-	301	235	-	-	10,498	9,915



## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

#### 5. Financial Assets and Financial Liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2024 and 31 December 2023:

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>				
<u>Financial assets</u>				
Trade receivables and other current assets (excluding prepayments and advance to suppliers)	37,265	44,714	42,450	11,026
Financial assets through profit and loss	1,185	586	1,185	586
Loan to subsidiary	-	-	18,630	5,467
Cash and bank balances	76,358	67,458	687	400
	<u>114,808</u>	<u>112,758</u>	<u>62,952</u>	<u>17,479</u>
<u>Financial liabilities</u>				
Bank borrowings	1,500	22,541	-	4,000
Trade and other payables (excluding contract liabilities)	34,122	45,261	85,615	72,457
Lease liabilities	10,586	9,931	-	-
	<u>46,208</u>	<u>77,733</u>	<u>85,615</u>	<u>76,457</u>

#### 6. Profit before tax

##### 6.1 Finance income/(expense)

	Group					
	2Q			6 Months Ended		
	30-Jun-24	30-Jun-23	Change	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Group</b>						
<u>Interest income</u>						
- from cash and cash equivalents	669	265	152%	1,124	425	164%
<u>Interest expense</u>						
- on lease liabilities and hire purchases	(122)	(102)	20%	(223)	(202)	10%
- on bank borrowings	(57)	(111)	-49%	(173)	(265)	-35%
- on loans from related parties	-	(5)	100%	-	(12)	100%
Net finance income/(expense)	<u>490</u>	<u>47</u>	<u>943%</u>	<u>728</u>	<u>(54)</u>	<u>N.M.</u>

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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

##### 6.2 Other expenses:

	Group					
	2Q			6 Months Ended		
	30-Jun-24	30-Jun-23	Change	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees	(1,326)	(1,676)	-21%	(1,927)	(2,476)	-22%
Utilities	(2,032)	(2,248)	-10%	(3,822)	(4,414)	-13%
Freight charges	(358)	(352)	2%	(630)	(969)	-35%
Insurance	(212)	(189)	12%	(419)	(379)	11%
Upkeep of properties and equipment	(534)	(427)	25%	(939)	(890)	6%
Upkeep of machinery	(1,301)	(903)	44%	(2,127)	(1,983)	7%
Others	(1,173)	(982)	19%	(2,277)	(2,006)	14%
	<b>(6,936)</b>	<b>(6,777)</b>	<b>2%</b>	<b>(12,141)</b>	<b>(13,117)</b>	<b>-7%</b>

##### 6.3 Other Credits

	Group					
	2Q			6 Months Ended		
	30-Jun-24	30-Jun-23	Change	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange gain - net	76	273	-72%	1,436	65	2109%
Gain/(loss) on disposal of property, plant and equipment	-	203	-100%	(311)	615	N.M.
Property, plant & equipment written off	-	(3)	100%	-	(3)	100%
Allowance for inventories obsolescence	(387)	(137)	182%	(867)	(135)	542%
Fair value gain on financial assets through profit and loss	386	-	N.M.	599	-	N.M.
Others	10	27	-63%	112	103	9%
	<b>85</b>	<b>363</b>	<b>-77%</b>	<b>969</b>	<b>645</b>	<b>50%</b>

##### 6.4 Related Party Transactions

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

#### 7. Income Tax

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

	Group					
	2Q			6 Months Ended		
	30-Jun-24	30-Jun-23	Change	30-Jun-24	30-Jun-23	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(1,046)	(1,586)	-34%	(2,644)	(3,868)	-32%
- Prior years	(1)	22	N.M	3	42	-93%
	(1,047)	(1,564)	-33%	(2,641)	(3,826)	-31%

#### 8. Dividends

	Group and Company	
	30-Jun-24	30-Jun-23
	S\$'000	S\$'000
<b>Cash dividend on ordinary shares declared and paid/payable</b>		
- Interim (one-tier) dividend	15,632	13,411
<b>Total</b>	<b>15,632</b>	<b>13,411</b>

#### Tax consequences of paid dividends

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

#### 9. Net Assets Value

	Group		Company	
	30-Jun-24	31-Dec-23	30-Jun-24	31-Dec-23
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	57.99 cents	53.69 cents	34.91 cents	30.83 cents
Total number of issued shares (excluding treasury shares)	710,535,941	670,535,941	710,535,941	670,535,941

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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#### 10 Fair value measurement

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

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

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

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

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

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

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

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

#### 11. Intangible assets

	<b>Goodwill</b>	<b>Group Customer Relationship</b>	<b>Total</b>
	S\$'000	S\$'000	S\$'000
<b>Cost:</b>			
At 1 January 2024 and 30 June 2024	88,469	2,400	90,869
<b>Accumulated amortisation</b>			
At 1 January 2024	-	(800)	(800)
Amortisation for the period	-	(150)	(150)
<b>At 30 June 2024</b>	-	(950)	(950)
<b>Accumulated impairment</b>			
At 1 January 2024 and 30 June 2024	(2,118)	-	(2,118)
<b>Net book value:</b>			
At 31 Dec 2023	86,351	1,600	87,951
<b>At 30 June 2024</b>	86,351	1,450	87,801

The Group performed its annual impairment test in December and when circumstances indicated that the carrying value may be impaired. The Group's impairment test for goodwill with indefinite lives is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2023.

The customer relationship arose from the acquisition of JEP Holdings Ltd and its subsidiary. The remaining amortisation period of the customer relationship is four years (2028 - 4 years). The amortisation of customer relationship will be included in the "amortisation of intangible asset" line item in the consolidated statement of profit or loss and other comprehensive income. In the opinion of the directors of the Group, there is no indication that the recorded book value cannot be recovered from the business operations in the future periods.

#### 12. Property, plant and equipment

During the financial period, the Group acquired assets amounting to S\$15,677,000 (30.06.2023: S\$12,436,000) respectively. The Company did not acquire any assets during financial period 30 June 2024 and 30 June 2023.

## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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#### 13. Investment property

	<b>Group</b>	
	<b><u>30-Jun-24</u></b>	<b><u>31-Dec-23</u></b>
	S\$'000	S\$'000
<u>Cost</u>		
At the beginning of the period/year	4,130	4,098
Additions	-	32
At the end of the period/year	<u>4,130</u>	<u>4,130</u>
 <u>Accumulated depreciation</u>		
At the beginning of the period/year	2,762	2,601
Depreciation for the period/year	81	161
At the end of the period/year	<u>2,843</u>	<u>2,762</u>
 <u>Net book value</u>		
At the end of the period/year	<u>1,287</u>	<u>1,368</u>

Investment property relates to the leasehold property at 25 Changi North Crescent, Singapore 499617 held by a subsidiary under an operating lease to earn rental income.

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

The estimated fair value of the leasehold property amounted to S\$5,194,600 (Dec 2023: S\$5,194,600), classified under Level 2 of the fair value hierarchy, as determined on the basis of management's review of similar properties in the market as at 31 December 2023. The key input applied in the estimation of the investment property is unit price per square foot. There has been no change to the valuation technique during the current financial period.

**UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES**

**Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2024**

**14. Bank borrowings**

	<u>Group</u>		<u>Company</u>	
	<u>30-Jun-24</u>	<u>31-Dec-23</u>	<u>30-Jun-24</u>	<u>31-Dec-23</u>
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Secured</b>				
Term loans – non-current (a)	108	15,751	-	-
Term Loans – current (a)	1,392	2,790	-	-
	1,500	18,541	-	-
<b>Unsecured</b>				
Short term bank loan - current (b)	-	4,000	-	4,000
	1,500	22,541	-	4,000

- (a) Secured term loans amounting to S\$1.5 million are secured by the property, plant and equipment of subsidiaries. During the period, a subsidiary have entered into a loan agreement with the Company for S\$13 million which bears fixed interest at 3.70% per annum for first 12 months and a maturity period of 72 months. The loan drawdown from Company was used to repay the secured term loan.
- (b) The unsecured bank loan bears fixed interest at 4.16% per annum and with a maturity period of less than three months in previous year and have been fully repaid during the period.

UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

Notes to the condensed interim consolidated financial statements  
For the six-month financial period ended 30 June 2024

15. Share Capital

	<u>30-Jun-24</u>		<u>31-Dec-23</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group and Company</b>				
Issued and fully paid:				
At the beginning of the period/year	670,535,941	136,623	670,535,941	136,623
Issue of ordinary shares during the period	40,000,000	51,600	-	-
Share issue costs	-	(1,682)	-	-
At the beginning and end of the period/year	<u>710,535,941</u>	<u>186,541</u>	<u>670,535,941</u>	<u>136,623</u>

15.1 Treasury shares

	<u>30-Jun-24</u>		<u>31-Dec-23</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Group</b>				
At the beginning of the period/year	664,837	145	2,122,137	891
Sold during the period/year	-	-	(1,457,300)	(746)
At the end of the period/year	<u>664,837</u>	<u>145</u>	<u>664,837</u>	<u>145</u>

	<u>30-Jun-24</u>		<u>31-Dec-23</u>	
	No. of ordinary shares	S\$'000	No. of ordinary shares	S\$'000
<b>Company</b>				
At the beginning of the period/year	-	-	1,457,300	746
Sold during the period/year	-	-	(1,457,300)	(746)
At the end of the period/year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



## UMS HOLDINGS LIMITED AND ITS SUBSIDIARIES

### Notes to the condensed interim consolidated financial statements For the six-month financial period ended 30 June 2024

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#### 16. Subsequent events

On 17 July 2024, UMS Holdings Limited announced a plan to seek a secondary listing of its entire issued shares on the Main Market of Bursa Malaysia Securities Berhad ("Bursa Securities").

## Other Information Required by Listing Rule Appendix 7.2

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2024**

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**Other Information**

**1. Review**

The interim condensed consolidated balance sheet of UMS Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) as at 30 June 2024 and the related condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month financial period ended and certain explanatory notes have not been audited or reviewed by the Company’s auditors.

**2. Review of performance of the Group**

**Condensed Consolidated Statement of Profit or Loss and other comprehensive Income**

**Revenue**

**2QFY2024**

Group revenue fell 25% to S\$56 million in 2QFY2024 from S\$74.4 million in 2QFY2023 but rose 3.7% vs S\$54 million in 1QFY2024.

Compared to 2QFY2023, sales in its Semiconductor segment fell 29% due to weaker global chip demand while revenue in Others dipped 7% as its material and tooling distribution business was affected by the general business slowdown.

Its Aerospace segment however continued to improve (+5%), lifted by the sustained recovery of the aerospace industry.

Compared to 1QFY2024, Group revenue grew on the back of higher sales from all its core business segments. Its Semiconductor segment edged up 1% while its Aerospace segment sales soared 24%. Revenue in Others also rose by 3%.

Semiconductor Integrated System sales fell 39% from S\$33.8 million in 2QFY2023 to S\$20.8 million in 2QFY2024. While revenue from component sales decreased 18% from S\$31.0 million in 2QFY2023, it grew 5% from S\$24.3 million in 1QFY2024 to S\$25.5 million in 2QFY2024. The higher component sales in 2QFY2024 was mainly driven by orders from its new major customer in Malaysia.

Geographically, all the Group's key markets (except Malaysia) posted lower revenue in 2QFY2024.

Malaysia was the star performer - reporting a 38% sales surge - attributed mainly to the commencement of business with the Group's new major customer.

Sales in Singapore slumped 26% as compared to 2QFY2023 on the back of lower Semiconductor sales.

Lower component sales caused a 5% dip in US sales whilst Taiwan revenue fell 51% on lower sales of component spares.

Sales in the "Others" market also decreased 24% mainly due to weaker material/tooling distribution business.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2024**

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

**Revenue**

**1HFY2024**

Group revenue fell 29% to S\$109.9 million in the first 6 months of this year from S\$155.1 million in 1HFY2023.

Compared to 1HFY2023, Semiconductor sales declined 33% to S\$92 million from S\$137.7 million while Sales in Others dipped 9% to S\$6.7 million from S\$7.3 million in 1HFY2023.

Aerospace revenue however climbed 12% to S\$11.3 million from S\$10.1 million in the previous half year.

Semiconductor Integrated System sales fell 44% to S\$42.2 million compared to S\$74.7 million in 1HFY2023. Component sales also decreased 21% from S\$63 million in 1HFY2023 to S\$49.8 million in 1HFY2024

All of the Group's key geographical markets, except for Malaysia, posted softer sales in 1HFY2024.

Revenue from Singapore, US, Taiwan and Others declined 32%, 13%, 40% and 28% respectively.

Sales in Malaysia remained flat - edging up 1% during the period under review.

**Profitability**

**2QFY2024**

The Group remained profitable in the second quarter of 2024 with gross material margin growing to 53.5% from 46.3% in 2QFY2023 and 53.2% in 1QFY2024. The improvement is mainly due to its changing product mix as its component business (which commands a higher margin) accounted for a higher proportion of its total semiconductor revenue. The Group also benefitted from a more favourable exchange rate during the period under review.

The Group posted a 20% decline in net attributable profit to S\$9.3 million in 2QFY2024 from S\$11.6 million in 2QFY2023. Net profit also fell 23% to S\$9.5 million from S\$12.3 million while pre-tax profit declined 24% to S\$10.5 million during the period under review.

Compared to 1QFY2024, the Group's profit decline eased substantially as net attributable profit and net profit dipped just about 5% while its pre-tax profit eased 9%.

The Group continued to trim its expenses in the second quarter of the year.

Personnel costs were cut by 11% as lower bonus provisions were made while Professional fees were slashed by 21%.

Depreciation was also 3% lower while Utility costs shrank by 10%. Other expenses however went up 2% due mainly to the upkeep of machinery.

Other credits plunged 77% during the period under review, mainly due to lower exchange gain and absence of gain from disposal of fixed assets.

Income tax expenses were also slashed by 33% due to the lower profits.

The Group's earnings were however lifted by a 152% rise in finance income to \$0.7 million due to interest from higher cash balances from the share placement exercise in January 2024.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2024**

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

**Profitability**

**1HFY2024**

Gross material margin in 1H2024 grew to 53.3% from 48.3% in 1H2023 mainly due to a change in its product mix and a more favourable exchange rate compared to last year.

Group pre-tax profit however fell 34% to S\$22.1 million from S\$33.8 million in 1HFY2023 while Group net profit and net attributable profit also declined 35% and 34% to \$19.5 million and \$19.1 million respectively during the period under review.

The reasons for the Group's lower bottom line in the first half of FY2024 are the same as for 2QFY2024 highlighted above.

The Group continued to cut its expenses - reducing its personnel costs, depreciation and other expenses by 11%, 5% and 7% respectively. Its income tax expenses also fell 31% to S\$2.6 million in 1HFY2024 due to lower profits.

The Group however benefitted from an increase in other credits which jumped 50% mainly due to higher exchange gain, fair value gain from quoted securities partially offset by lower gain from disposal of fixed assets and higher inventory provision. Its finance income also surged 164% to over S\$1.1 million due to higher cash balances mainly attributed to share placement exercise in January 2024.

**Condensed Consolidated Balance Sheet**

**Cash and Bank Balances / Bank borrowings**

The net increase in cash and cash equivalents by S\$29.9 million (after netting-off bank borrowings) was mainly due to proceeds from Group's share placement in 1Q2024, net cash generated from operating activities partially offset by purchase of property, plant and equipment and payment of dividends during the period.

**Trade and other receivables**

Trade receivables and other current assets decreased by S\$0.9 million mainly due to lower sales offset by higher advance payment to suppliers.

**Trade and other payables**

Trade and other payables decreased by S\$11.1 million mainly due to lower material purchases.

**Condensed Consolidated Cash Flow Statement**

**2QFY2024**

The Group's financial position remained healthy.

Overall the Group's net cash increased by \$29.9 million from \$44.9 million in 31 Dec 2023 to \$74.9 million at the end of June 2024. The higher net cash was mainly due to proceeds from the Group's share placement in 1Q2024 which raised net cash of \$49.9 million.

The Group registered \$4.3 million (vs 2QFY2023: \$24.3 million) positive net cash from operating activities and a negative \$4 million (vs 2QFY2023: positive \$16.4 million) free cash flow in 2QFY2024. The lower net cash from operating activities was mainly attributed to lower profits and increase in inventories while continued investment in its Penang facilities reduced its free cash flow.

During the quarter, the Group also acquired more JEP shares (\$3.5 million), repaid \$16.4 million in bank loans and paid out \$15.6 million in dividends to reward shareholders.

**Other information required by Listing Rule Appendix 7.2  
For the six-month financial period ended 30 June 2024**

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

**Condensed Consolidated Cash Flow Statement (cont'd)**

**1HFY2024**

The Group registered \$14.3 million (vs \$45.1 million in 1HFY2023) positive net cash from operating activities. Lower operating cash flow was mainly due to lower profits and higher inventory. Free cash flow dipped to negative \$0.8 million from S\$33.4 million in 1HFY2023.

During the first half of this year, the Group invested S\$15.7 million in capex and repaid \$21 million of bank borrowings.

Overall, the Group's cash and cash equivalents rose to S\$76.4 million at the end of June 2024 from S\$72.1 million in the same period last year.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the previous announcement made on 10 May 2024.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

Group revenue and profits continued to stabilise - benefitting from the continued international aviation boom and gradual recovery of the global semiconductor industry.

The Group did better in the second quarter compared to the first quarter of FY2024.

Group revenue grew almost 4% on the back of improved performance from all its core business segments. Its Semiconductor sales edged up 1% while its Aerospace sales leapt 24%. Revenue in Others also rose by 3%.

The Group's gross margins also advanced despite persistent inflationary pressures, intensifying geopolitical tensions and market volatility.

While Group profits have softened compared to last year, the pace of contraction has eased quarter-on-quarter (Q-o-Q). Compared to 1QFY2024, Group net attributable profit and net profit remained relatively flat - dipping marginally by about 5% and 6%.

During the first half of this year, the Group made firm progress in securing more orders from its major new customer in Malaysia with more new product introductions (NPIs) expected in the coming months. Efforts were also made to contain costs - which led to a decline in expenses.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months (cont'd)**

According to SEMI, the growth in total semiconductor manufacturing equipment sales is already underway this year. Global sales of total semiconductor manufacturing equipment by original equipment manufacturers are forecast to set a new industry record, reaching \$109 billion in 2024, growing 3.4% year-on-year. This will be followed by a robust expansion of roughly 17% in 2025 to set a new high of \$128 billion in 2025, driven by both the front-end and back-end segments.<sup>1</sup>

The Group which has expanded its production capacity significantly following the completion of its new Penang facilities, will be a key beneficiary of the global chip sector rebound as well as the rising shift of global semiconductor supply chains to the region, especially Malaysia and Singapore – where its two key customers have committed major expansion plans.

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

IATA forecasts profitability in the industry to strengthen in 2024 and beyond, Industry revenues are expected to reach an historic high of \$996 billion in 2024. Passenger revenues are predicted to reach \$744 billion in 2024, up 15.2% from \$646 billion in 2023. Revenue passenger kilometers (RPKs) growth is expected to be 11.6% year-on-year. The long-term 20-year growth trend is expected to see passenger demand grow 3.8% annually for the 2023-2043 period.<sup>2</sup>

Looking ahead, the Group's strong fundamentals and financial position will enable it to capitalize on these growth trends to deliver long-term returns to shareholders. The Group remains confident of future prospects, and will continue to manage market risks and invest prudently across its key business segments to support its long-term growth plans.

The Group also intends to seek a secondary listing of its entire issued shares on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Malaysia”) to unlock value for shareholders as the secondary listing on Bursa Malaysia will broaden UMS' investor reach and widen its investor base. This will potentially improve the liquidity of the Company's shares through separate trading platforms; and enable the Group to tap into different equity markets for future fund raising to support the Group's growth in the coming years.

In view of the Group's credible performance, the Board will continue to reward shareholders with an interim dividend of 1.0 cents per share (vs 1.2 cents per share in the previous quarter).

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

Sources:

<sup>[1]</sup> Source: [https://www.semiconductor-digest.com/global-total-semiconductor-equipment-sales-forecast-to-reach-record-109-billion-in-2024-semi-reports/?utm\\_source=rss&utm\\_medium=rss&utm\\_campaign=global-total-semiconductor-equipment-sales-forecast-to-reach-record-109-billion-in-2024-semi-reports](https://www.semiconductor-digest.com/global-total-semiconductor-equipment-sales-forecast-to-reach-record-109-billion-in-2024-semi-reports/?utm_source=rss&utm_medium=rss&utm_campaign=global-total-semiconductor-equipment-sales-forecast-to-reach-record-109-billion-in-2024-semi-reports)

<sup>[2]</sup> Source: <https://www.iata.org/en/pressroom/2024-releases/2024-06-03-01/>

**5. Dividend information**

**a. Current Financial Period Reported on**

Any dividend declared for the current financial period reported on?

**Yes**

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

**b. Corresponding period of the immediately preceding financial year.**

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

**Yes**

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

**c. Date payable**

25 October 2024.

**d. Record date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 14 October 2024, for the purpose of determining members' entitlements to the Second Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2024.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd., 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to the close of business at 5.00 p.m. on 11 October 2024 will be registered before entitlement to the Second Interim Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 11 October 2024 will be entitled to the Second Interim Dividend.



**Other information required by Listing Rule Appendix 7.2  
For the six months ended 30 June 2024**

**6. Interested person transactions**

The Group does not have a general mandate for interested person transactions. The aggregate value of the interested person transactions conducted during the six-month financial period ended 30 June 2024 is disclosed below

		<b>6 Months Period Ended 30 June 2024</b>
Name of interested person	Nature of Relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)  S\$'000
<b>Sure Achieve Consultant Pte Ltd</b>		
Consultancy Services charges and commission	Transaction above is with Sure Achieve Consultant Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and shareholder. She is the wife of the CEO of the Group, Mr. Luong Andy.  The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd amounted to S\$1,449,000 which represents approximately 0.48% of the Group's latest audited net tangible assets as at 31 December 2023.	1,449

**7. Use of proceeds**

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

	<b>Allocation of net proceeds</b>	<b>Amount utilised</b>	<b>Balance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Capital expenditure for the growth of the Group's business	29,950	(12,489)	17,461
General working capital purposes (including meeting general overheads and other operating expenses of the Group)	9,984	(9,984)	-
Future business developments through potential investments, acquisitions, joint ventures and collaborations	9,984	-	9,984
<b>Total</b>	<b>49,918</b>	<b>(22,473)</b>	<b>27,445</b>

**Other information required by Listing Rule Appendix 7.2  
For the six months ended 30 June 2024**

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**7. Use of proceeds (cont'd)**

<b>General working capital purposes</b>	<b>Allocation of net proceeds S\$'000</b>	<b>Amount utilised S\$'000</b>
- Loan repayment	5,398	(5,398)
- Working capital including, inventories, employee benefits expense and general overheads	4,586	(4,586)
	<u>9,984</u>	<u>(9,984)</u>

**8. 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 2Q2024 and the period ended 30 June 2024 financial results to be false or misleading in any material respect.

**9. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

**BY ORDER OF THE BOARD**

**Luong Andy  
Chief Executive Officer**

12 August 2024