Company Registration No.: 200100340R

UMS REPORTS RECORD $19.4 MILLION IN 1QFY2022 NET ATTRIBUTABLE PROFIT ON REVENUE OF S$84.7 MILLION

- **Earnings per share hit a high of 2.91 cents.**
- **Net cash from operations hit S$24.7 million while free cash flow grew to S$18.7 million.**
- **Tax-exempt dividend of 1 cent to reward shareholders.**

Singapore, May 10 2022:

SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”), has proposed a 1.0 cent tax-exempted interim dividend per share to reward shareholders after another strong quarter.

Revenue for 1QFY2022 vaulted 71% to S$84.7 million from S$49.6 million a year ago while the Group’s net profit attributable to shareholders shot up by 26% to S$19.4 million.

The sales surge was driven by the sustained increase in semiconductor demand and the consolidation of sales from JEP Holdings Ltd ("JEP") - which became a subsidiary of the Group from 2QFY2021 - bringing on board a new revenue stream from the aerospace business.

The Group booked aerospace revenue of S$3.0 million in 1QFY2022.

Semiconductor segment sales continued to accelerate - jumping 57%, driven by both higher Integrated System and component sales. Semiconductor Integrated System sales soared by 32% from S$22.6 million in 1QFY2021 to S$29.9 million in 1QFY2022. Component sales leapt 80% to S$43.4 million in 1QFY2022 from S$24.1 million in 1QFY2021.

Sales in "Others" segment almost tripled - hitting S$8.4 million in 1QFY2022 - up 193% from S$2.9 million in 1QFY2021. The revenue rise was due to contributions from its materials distribution subsidiary - Starke Singapore, its water disinfection subsidiary Kalf Engineering as well as JEP Industrades' tooling distribution business.

Geographically, the Group’s key markets, (apart from Taiwan) grew significantly in 1QFY2022.

Compared to 1QFY2021, Malaysia sales leapt by 240% driven by higher material distribution sales and consolidation of JEP's tooling distribution revenue. Singapore sales surged 75% due to higher sales for Semiconductor Integrated Systems, increased components for new equipment as well as consolidation of JEP's Semiconductor component business.

Taiwan sales slipped 12% due to lower sales of component spares because of supply chain constraints which caused material supply shortages in the industry.

The Group's Others geographical segment delivered a sterling performance – with revenue shooting up 1264% due mainly to the consolidation of JEP's aerospace and tooling distribution businesses as well as the delivery of one of Kalf Engineering's water disinfection systems.

Group Profitability

The Group delivered another record-breaking performance by achieving its highest ever quarterly net profit of S$20.7 million.

The Group's 1QFY2022 net profit vaulted 37% compared to 1QFY2021, while net profits attributable to shareholders surged by 26% to S$19.4 million during the same period. Compared to 4QFY2021, the Group's net profit and net profit attributable to shareholders this quarter leapt about 188% and 240% respectively.

The Group's pre-tax profit also jumped 51% to $25.4 million from S$16.8 million in 1QFY2021 and 13.4% against S$22.4 million in 4QFY2021.

The Group's profit levels shot past the S$20 million mark for the first time despite higher expenses incurred in all categories - mainly due to consolidation of JEP's results.

Personnel costs and other expenses rose 80% and 67% respectively while depreciation expenses also more than doubled to S$3.6 million in 1QFY2022 from S$1.8 million in 1QFY2021. Freight charges soared 227% and Utilities costs increased 57% during the same period.

Other credit rose to S$0.8 million from S$0.7 million in 1QFY2021. The Group recorded a lower foreign exchange gain of $0.5m (compared to S$1.3 million in 1QFY2021). This exchange gain stemmed from appreciation of USD during the quarter.

Income tax expense also increased significantly. Income tax climbed 170% to S$4.7 million in the current quarter - due to higher profits as well as higher provision made for its Malaysian subsidiaries in the absence of pioneer tax incentives enjoyed in previous years. The pioneer tax incentives for one of its Malaysian subsidiaries had expired in 2021, and the other Malaysian subsidiary did not meet the stipulated local employee employment criteria to qualify for the pioneer tax incentives.

The Group has engaged a tax consultant to resolve this tax issue with the Malaysian authorities.

Despite higher expenses and material costs, the Group's gross material margin remained stable at 51.4% in 1QFY2022 compared to 53.1% in 1QFY2021.

Reflecting the improved performance, the Group's earnings per share ("EPS") for 1QFY2022 leapt to 2.91 cents compared to 2.3 cents in the first quarter of last year. Group net asset value ("NAV") per share also grew to 44.65 cents as at March 31, 2022 from 41.83 cents as of 31 December 2021.

Healthy Cashflow

The Group's solid financial position continued to strengthen further during the quarter. It registered S$24.7 million positive net cash from operating activities (vs S$15.6 million in 1QFY2021) and S$18.7 million free cash flow in 1QFY2022 (vs S$14.8 million in 1QFY2021).

Overall, its net cash balance went up by S$16.2 million to S$47 million at the end of March 2022 compared to S$30.8 million on 31 December 2021.

The Group pared down S$9.3 million in bank borrowings during the quarter.

Bright Outlook

On the Group's robust results, UMS Chairman and CEO Mr Andy Luong said, "We are delighted to achieve another record-breaking profitable performance - surpassing S$20 million in quarterly profit for the first time.

The Group's growth trajectory remains strong as we remain a beneficiary of accelerating capex demand from global wafer fabs.

We have also benefitted from the Group's timely diversification and acquisition of JEP as well as the effectiveness of our team to manage the production challenges brought about by the COVID 19 pandemic and the global geopolitical tensions."

According to SEMI, global fab equipment spending for front-end facilities is expected to jump 18% year-over-year (YOY) to an all-time high of US$107 billion in 2022, marking a third consecutive year of growth following a 42% surge in 2021.

This significant upsurge is attributed to the relentless drive to add and upgrade capacity to address a diverse range of markets and emerging applications for long-term industry growth to enable electronics in the digital world.

Global fab equipment spending is forecast to post another healthy year in 2023 and is expected to remain above the $100 billion mark. SEMI expects global semiconductor capacity to maintain steady growth this year and in 2023.

The SEMI World Fab Forecast report shows the global industry increasing capacity 8% this year after a 7% rise in 2021. Capacity growth is expected to continue increasing, rising 6% in 2023.[1]

According to consulting and market research firm; BlueWeave Consulting, the Global Semiconductor market is anticipated to hit USD 820.1 billion by 2028 at a CAGR of 5.3%. The growth rate of the market is driven by the massive demand for consumer electronic devices created owing to the growing population, escalating household incomes, increasing digitization combined with rapid urbanization.[2]

The Group is well-poised to capture new growth opportunities ahead.

Said Mr Andy Luong, "Despite a challenging supply chain environment - our key customer has recently announced that its outlook for 2022 and beyond is very positive.

Our new factory in Penang which is scheduled for completion by end of this year, will increase our production capacity. Efforts to get additional power supply and manpower resources are also progressing as planned while discussions to resolve the tax issues with the Malaysian authorities are ongoing.

In addition to the strong semiconductor market outlook, the Group is ready to ride the gradual recovery in the aviation sector. JEP with its established track record in the aerospace industry stands to reap the gains from the aviation industry rebound as more countries are now reopening their national borders to international travel."

According to a report in Forbes, the aviation industry is once again poised for a decade of growth. By early 2023, global demand for domestic travel is expected to hit its 2019 pre-pandemic peak. From there, the outlook is for steady expansion through the rest of the decade at rates that even exceed increases in gross domestic product.[3]

All these positive industry trends augur well for UMS despite near term challenges of inflationary pressures and global volatility triggered off by persistent pandemic disruptions and geopolitical conflicts.

Barring any unforeseen circumstances, the Group will remain profitable in 2022.

[[1]Source: Global Fab Equipment Spending expected to hit a new high of US$107 Billion in 2022, SEMI reports - https://www.semi.org/en/news-media-press- releases/semi-press-releases/global-fab-equipment-spending-expected-to-hit-new-high-of-%24107-billion-in-2022-semi-reports]
[[2]Source: Global Semiconductor Market to Boost in Coming Years – Projected to Reach Worth USD 820.1 Billion by 2028 – Blueweave - https://www.globenewswire.com/en/news-release/2022/03/29/2412128/0/en/Global Semiconductor-Market-to-Boost-in-Coming-Years-Projected-to-Reach-Worth-USD-820.1-Billion-by-2028-BlueWeave.html]
[[3]Source: Aviation Is Poised For A Decade Of Growth, But There Are Headwinds Besides Covid-19 - https://www.forbes.com/sites/oliverwyman/2022/02/24/why-aviation-will-grow-for-a-decade-but-there-are-headwinds-besides-covid-19/?sh=48fcf39e3d10]

About UMS Holdings Limited

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products. The Group is in the business of front-end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas. Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and California, USA.

Issued on behalf of UMS Holdings Limited

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