



Company Registration No.: 200100340R

**UMS REWARDS SHAREHOLDERS WITH 1.0 CENT INTERIM
DIVIDEND PER SHARE AFTER 1QFY2021 NET PROFIT
ATTRIBUTABLE TO SHAREHOLDERS ROSE 44% TO S\$15.4M ON
RECORD QUARTER REVENUE OF S\$49.6M**

Singapore, 10 May 2021:

SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”), which reported another strong start to the year hitting record quarterly sales, has proposed a 1.0 cent tax-exempted interim dividend per share to reward shareholders.

Revenue for 1QFY2021 rose 42% to S\$49.6 million from S\$34.9 million from a year ago while the Group’s net profit attributable to shareholders shot up by 44% to S\$15.4 million.

The Group’s overall revenue surged on the back of the sustained increase in semiconductor demand. Semiconductor segment sales jumped 47%, driven by both higher Integrated System and component sales. Semiconductor Integrated System sales soared by 75% from S\$12.9 million in 1QFY2020 to S\$22.6 million in 1QFY2021. Component sales shot up by 28% to S\$24.1 million in 1QFY2021 from S\$18.8 million in 1QFY2020.

Sales in “Others” segment softened marginally by 9% due to lower revenue from its subsidiary, Starke Singapore (“Starke”).

On a sequential basis, compared to 4QFY2020, both Semiconductor and Others segment sales rose by 12% and 22% respectively.

The Group’s key geographical markets except for the US and Others segments grew significantly in 1QFY2021. Malaysia was the star performer - surging 93% driven by higher material distribution sales; while Taiwan climbed 70% due to increased component spares sales. Singapore sales also surged 51% due to higher shipments of semiconductor Integrated System sales and component sales for new equipment.

The Group’s Others geographical segment remained relatively stable while the US revenue eased 14% due to lower component sales.

Group Profitability

The Group’s 1QFY2021 net profit surged 39% compared to 1QFY2020 – booking a net profit of S\$15.1 million versus S\$10.8 million in 1QFY2020 while net profit attributable to shareholders rose 44% year-on-year.

The Group’s net profit attributable to shareholders for the latest quarter was also 43% higher than 4QFY2020 (excluding non-cash impairment).

Gross material margins of 53.1% in 1QFY2021 remains comparable to 53.3% from 1QFY2020.

Associate company JEP Holdings Ltd (JEP) contributed S\$0.3 million to the Group's bottom line, a 70% decline due to challenges faced in the aerospace industry caused by the ongoing global COVID 19 pandemic.

The Group also benefited from a foreign exchange gain of S\$1.3 million, which was partially offset by a provision for project loss related to Kalf Engineering (Kalf).

The Group's overall expenses went up as personnel costs rose 25% due to higher headcount staff overtime and bonus provisions made, while professional fees, freight charges, and utilities increased by, 15%, 7% and 6% respectively as production volume increased.

The Group's income tax expense also rose 73% in line with its higher profit.

Reflecting the improved performance, the Group's earnings per share ("EPS") for 1QFY2021 leapt to 2.88 cents compared to 2.0 cents in the first quarter of last year. Group net asset value ("NAV") per share also grew to 49.8 cents from 47.1 cents as at 31 December 2020.

Healthy Cashflow

The Group's financial position remains robust.

In 1QFY2021, the Group generated a positive free cash flow of S\$8.5 million and S\$8.7 million positive net cash from operating activities in 1QFY2021. Operating cashflow eased - compared to December FY2020 - due to the 73% rise in trade receivables and other current assets (as compared to Dec FY2020) as a result of the surge in sales and advance payment for materials.

The Group's overall net cash balance went up by S\$9.1 million to S\$47.2 million in 1QFY2021.

The Group's cash balance rose despite paring down S\$7.5 million in bank borrowings.

Outlook

Commenting on the Group's latest results, UMS Chairman and CEO Mr Andy Luong said, "Our record results for 1QFY2021 underscored the continued acceleration of demand for semiconductors worldwide.

While the COVID 19 pandemic has given rise to challenging market conditions, it has fuelled increasing consumption of chips across a wide range of markets and applications, opening up significant growth opportunities for us as global fabs continue to boost their production capacities and expansion plans.

Companies such as UMS which support the chip equipment sector are thus well-poised to benefit from this sustained semiconductor upswing."

The global semiconductor industry is forecast to hit record highs in fab equipment spending till 2022.¹

According to SEMI, chip demand is currently fueled by surging pandemic-related demand for electronics devices and the global semiconductor industry is on track to register a rare three consecutive years of record highs in fab equipment spending with a 16% increase in 2020 followed by forecast gains of 15.5% this year and 12% in 2022, reaching US\$80 billion in spending.²

Similarly, in the medium to long term, the global semiconductor manufacturing equipment market is expected to continue growing at 9.6% from 2021 through to 2026 amid supportive trends led by various technological advancements such as the utilization of artificial intelligence (AI) solutions and the integration of connected devices with the Internet of Things (IoT). In addition, electronics manufacturers are using IoT-enabled silicon-based

sensors in the manufacturing equipment that offer remote monitoring capabilities for complex circuit boards.³

Mr Luong added, "These positive forecasts bode well for the Group, with our strong financial position, we are well-poised to capitalise on growth opportunities arising from the growing applications of chips and its vibrant equipment manufacturing market.

The Group has recently made an offer to acquire associate JEP Holdings as we continue to take decisive steps to diversify our revenue streams. We remain optimistic about the future of the aviation sector as mass vaccinations and border re-opening efforts will increase in the coming months."

Barring any unforeseen circumstances, the Group will stay profitable in FY2021.

[¹Source: Global chip shortage likely to last through 2021 and even into 2022 as industry grapples with increasingly complex market forces: <https://www.scmp.com/tech/tech-trends/article/3130315/global-chip-shortage-likely-last-through-2021-and-even-2022>]

[²Source: Global Fab Equipment Spending Poised to Log Three Straight Years of Record Highs SEMI Reports: <https://www.semi.org/en/news-media-press/semi-press-releases/world-fab-forecast>]

[³Source: Semiconductor Manufacturing Equipment Market: Global Industry Trends, Share, Size, Growth, Opportunity and Forecast 2021-2026: <https://www.imarcgroup.com/semiconductor-manufacturing-equipment-market>]

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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