



Company Registration No.: 200100340R

**UMS HOLDINGS REPORTS 230% RISE IN 1Q2017 NET PROFIT TO S\$11.2 MILLION
ON DOUBLING OF SALES TO S\$41.8 MILLION**

- Proposes 1 cent tax-exempt interim dividend to reward shareholders

Singapore, 12 May 2017 - SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”) is proposing a 1 cent tax-exempt interim dividend to reward shareholders after delivering another stellar financial performance in 1Q2017. Net profit has risen by 230% to S\$11.2 million on the back of a 105% increase in turnover to S\$41.8 million from the previous corresponding quarter a year ago (“1Q2016”).

Group revenue was also more than 22% higher compared to 4Q2016. The boost in revenue had come mainly from the semiconductor business segment which surged by 108% to S\$40.9 million from S\$19.6 million in the previous corresponding period. Revenue contributions from the semiconductor segment had risen by 26% from the final quarter of FY2016. Sales in the Semiconductor Integrated System jumped 192% from S\$8.3 million in 1Q2016 to S\$24.3 million in 1Q2017, while that for component sales increased by 47% from S\$11.3 million in 1Q2016 to S\$16.6 million in 1Q2017. Revenue contributions from the Others segment grew 17% to S\$0.88 million from S\$0.75 million in the same period the previous year.

Geographically, Singapore continues to account for the bulk or 75% of the Group’s revenue base, contributing S\$31.2 million in 1Q2017; a 186% jump from S\$10.9 million in 1Q2016 due to strong sales of UMS’ semiconductor integrated systems. Contributions from the US also swelled, rising 66% on-year to S\$4.1 million from S\$2.5 million a year ago on the back of higher component sales for new systems built. Revenue from the Others segment slipped 11% to S\$5.9 million versus S\$6.6 million in 1Q2016 mainly due to lower component sales to a key customer in China.

The successful renewal of the group’s contract with its key customer by three years from Jan 2017, with the option for a further 3-years into 2023 will boost revenue base and earnings visibility.

Gross material margins remained healthy at 51% although this was lower than the 60% registered in 1Q2016 due to a change in product mix as the Group had received more orders in integrated systems which commanded lower margins compared to high-margin component sales.

Cash Flow

Cash balances for the Group remain strong, with cash and cash equivalents for the first quarter at an all-time high of S\$48.1 million compared to S\$42.8 million for 1Q2016.

Earnings per share in 1Q2017 weighed in at 2.60 cents, a more than a three-fold increase from 0.79 cents in 1Q2016. Net Asset Value (NAV) also improved to 46.51 cents, from 44.16 cents as at 31 December 2016.

Outlook

The demand for semiconductor is on a rapid rise, fuelled by the boom in disruptive technology and continuous push for automation and innovation. The largest growth drivers for the industry are mobile devices (including devices using solid state drives), automotive and IoT (Internet of Things).

According to Semiconductor Equipment & Materials International (SEMI), worldwide sales of semiconductor manufacturing equipment totalled US\$41.24 billion in 2016, representing a year-on-year increase of 13%. Fab equipment spending is also expected to reach an industry all-time record of more than US\$46 billion in 2017. The value is expected to climb higher in 2018, with spending hitting near the US\$50 billion mark.

These buoyant trends augur well for UMS which is well-poised to ride on the growth as it will be stepping up plans to expand production capacity, including a ramp-up in fab activities in the coming months. The group intends to invest a further RM80 million in Penang over the next few years which include building new cleanrooms, take advantage of a larger pool of talent and a more favorable tax status.

Mr Andy Luong, Chief Executive Officer of UMS Holdings, said: "The outlook continues to be positive for the global semiconductor sector which has enabled the Group to accelerate its growth trajectory in both revenue and profit. UMS intends to continue rewarding shareholders with good dividends and has hence proposed an interim tax-exempt dividend of 1 cent to be payable on 27 July, 2017.

“We have also adopted a diversification strategy to broaden our revenue base and income streams as well as to lower exposure risks to any single source or market. Going forward, we will continue to drive growth in the existing semiconductor business segment while pursuing business opportunities in potential growth areas relating to the provision of water and chemical engineering solutions.”

UMS had acquired in March a 51% stake in Kalf Engineering, a company that specialises in water and chemical engineering solutions for the offshore, power generation and chemical industries. Kalf has currently in hand seven projects in Asia, the Middle East and South America worth approximately S\$13 million, and is also in the midst of procuring additional projects.

Five of the current projects are expected to be completed in the second half of 2017 with another two in China and Middle East expected to be completed in the second half of 2018. The five projects, scheduled for completion this year, will be expected to contribute to the Group’s financial performance in FY2017.

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 as well as Texas and California, USA.

Issued on behalf of UMS Holdings Limited

For more information, please contact:

Ms. Tham Moon Yee – tmy@stratagemconsultants.com

Mr. Soh Tiang Keng – sohtk@stratagemconsultants.com

Stratagem Consultants Pte Ltd:

Tel: 65 6227 0502

Fax: 65 6227 5663