



Company Registration No.: 200100340R

## **UMS HOLDINGS' HALF-YEAR NET PROFIT MORE THAN DOUBLED TO REACH S\$22.6 MILLION**

- Proposes a special one-for-four bonus share issue and a 1 cent tax-exempt interim dividend to reward shareholders

**Singapore, Aug 11 2017** – Shareholders of SGX Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”) can look forward to bumper rewards as the Group is proposing a special bonus issue of up to 107,285,986 new ordinary shares of the Company on the basis of one Bonus Share for every four existing ordinary shares as well as a one cent tax-exempt interim dividend after delivering another stellar financial performance in 2Q2017. Net profit attributable to shareholders has risen to S\$22.6 million on the back of a 92% increase in turnover to S\$84.5 million in 1H2017 – on par with the Group’s full year net profit in FY2016.

Net profit attributable to shareholders in 2Q2017 shot up by 77% to S\$11.5 million from S\$6.5 million in 2Q2016.

The sterling performance reflected the robust growth of the Group's semiconductor business.

On a quarterly basis, revenue for the three months ended 30 June 2017 (“2Q2017”) jumped by 81% from S\$23.6 million a year ago (“2Q2016”) to S\$42.7 million. Compared to 2Q2016, 2Q2017 revenue in Semiconductor business segment surged 80%.

UMS’s gross material margin in 2Q2017 eased to 51% from 58% in 2Q2016 (and from 59% in 1H2016) - mainly due to the Group's product mix which had a higher proportion of Integrated Systems that command a lower margin compared to component sales.

On a sequential basis, Group revenue remained stable with the semiconductor sales increasing by 4% compared to the preceding quarter (1Q2017).

## **Geographical contributions**

Revenue in Singapore in the first half leapt by 149% compared to 1H2016 mainly due to strong demand for the semiconductor Integrated System sales. Turnover in US also jumped 67% from 1H2016 - driven by higher component sales for new system built.

On a quarterly basis, Singapore continues to account for the majority or about 74% of the Group's revenue, contributing S\$31.5 million in 2Q2017, a rise of 121% from S\$14.3 million in 2Q2016. This was fuelled by strong demand for the semiconductor Integrated System sales during the period under review. Revenue in US also surged 68% vs 2Q2016 - benefiting from higher component sales for new system built whereas revenue in Others slid 8% vs 2Q2016 mainly due to lower component sales to a customer in China.

## **Net Asset Value Per Share and Earnings Per Share**

The Group's earnings per share rose to 5.27 cents for the first half from 2.30 cent in 1HFY2016 while in 2QFY2017 net asset value per share weighed in at 46.29 cents up from 44.16 cents in the corresponding period last year.

## **Cashflow**

The Group's cashflow remains strong - registering S\$13.0 million positive net cash from operating activities and also S\$10.3 million free cash flow in 1Q2017. As of 30 June 2017, after a dividend payment of S\$12.9 million, UMS continues to show healthy net cash and cash equivalents of S\$44.1 million.

For 1H2017, the Group registered S\$20.8 million positive net cash from operating activities and also S\$17.1 million free cash flow.

## **Outlook**

According to SEMI's Mid-year Forecast, worldwide sales of new semiconductor manufacturing equipment are projected to increase 19.8 percent to total S\$49.4 billion in 2017, hitting a new record as this figure has exceeded the market high of S\$47.7 billion set in 2000.

In 2018, 7.7 percent growth is expected, resulting in another record-breaking year – totalling S\$53.2 billion for the global semiconductor equipment market.\*

These trends herald good news for the Group. This is further supported by the robust results of its major customer who has recently posted a sterling 2QFY2017 performance and has projected accelerated growth in the coming quarter.

Mr. Andy Luong, Chief Executive Officer of UMS holdings, said: “ We will continue to reap the gains from the robust global semiconductor industry. Our half year results reflect our strong capabilities to meet the increased customer demand for high precision semiconductor equipment. ”

While the Group's prospects remain positive, the Group expects its major customer's demand moderating in the second half of the year. The new terms of its renewed system integration contract announced earlier this year, which will have a lower average selling price, will also take effect in the near future.

Commented Mr Luong, "The Group is actively taking measures to improve efficiency and productivity to manage our operating costs. We expect that any margin decrease will be minimal as the price reduction will be from a reduction in the integration of third party materials. We will further mitigate margin pressures by our efforts to increase production activities in Penang. Our new cleanroom and new system integration team in Penang will be ready in 3Q2017 and we will benefit from the transfer of the system integration operation from Singapore to Penang to lower our operating costs."

The Group's newly acquired subsidiary Kalf Engineering will continue to pursue projects both in Singapore and overseas. However, its contributions are not expected to be significant for FY2017 due to some project delays.

Barring unforeseen circumstances, FY2017 will remain a profitable year for the Group.

*\* Source: Solid State Technology: July 13, 2017*

## **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**

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