

Singapore Company Update

UMS Holdings

Bloomberg: UMSH SP | Reuters: UMSH.SI

Refer to important disclosures at the end of this report

DBS Group Research . Equity

29 Feb 2024

BUY

Last Traded Price (28 Feb 2024): S\$1.51 (STI : 3,138.93)
 Price Target 12-mth: S\$1.84 (22% upside) (Prev S\$1.55)

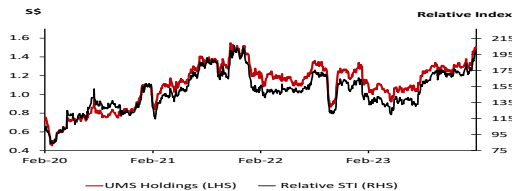
Analyst

Lee Keng LING +65 6682 3703 leekeng@dbs.com

What's New

- 4Q23 results inline, margins improving
- New plant to commence production for new customer in March 2024; order momentum to grow
- Key customers providing positive guidance, riding on surge in AI and IoT demand
- Earnings raised by 9% on improving outlook; maintain BUY with higher TP of S\$1.84

Price Relative



Forecasts and Valuation

FY Dec (S\$m)	2022A	2023A	2024F	2025F
Revenue	372	300	373	399
EBITDA	120	86.5	125	134
Pre-tax Profit	103	68.5	106	116
Net Profit	98.2	60.0	87.3	95.5
Net Pft (Pre Ex.)	98.2	60.0	87.3	95.5
Net Pft Gth (Pre-ex) (%)	84.9	(38.9)	45.6	9.4
EPS (S cts)	14.6	8.95	12.3	13.4
EPS Pre Ex. (S cts)	14.6	8.95	12.3	13.4
EPS Gth Pre Ex (%)	85	(39)	37	9
Diluted EPS (S cts)	14.6	8.95	12.3	13.4
Net DPS (S cts)	5.00	5.60	5.00	5.00
BV Per Share (S cts)	50.8	53.7	65.2	73.6
PE (X)	10.3	16.9	12.3	11.2
PE Pre Ex. (X)	10.3	16.9	12.3	11.2
P/Cash Flow (X)	10.6	12.7	17.2	9.8
EV/EBITDA (X)	8.4	11.5	8.1	7.1
Net Div Yield (%)	3.3	3.7	3.3	3.3
P/Book Value (X)	3.0	2.8	2.3	2.1
Net Debt/Equity (X)	CASH	CASH	CASH	CASH
ROAE (%)	31.8	17.1	21.2	19.4
Earnings Rev (%)			9	9
Consensus EPS (S cts):			11.5	13.3
Other Broker Recs:		B: 4	S: 0	H: 0

Source of all data on this page: Company, DBS Bank Ltd, Bloomberg Finance L.P.

Outlook rosy on multiple fronts

Investment Thesis:

Riding on longer term growth trend for the semiconductor industry. UMS is an integrated original equipment manufacturer (OEM) for front-end semiconductor equipment, providing both component manufacturing and sub-assembly services, primarily servicing key clients such as Applied Materials (AMAT). It rides on the long-term growth trend for the semiconductor industry, driven by industry-wide structural change.

Strong recovery expected in 2024. The semiconductor industry is projected to see a strong recovery in 2024, with Gartner predicting a revenue growth of 20.4% y-o-y after a projected 12.3% drop in 2023. SEMI expects the 2024 rebound to continue through to 2026, with wafer shipments setting new highs. UMS's key customers also provide positive guidance, riding on the surge in AI and IoT demand.

New plant completed in end-2023 to cater to growing orders from new customer; riding on the China +1 strategy.

The newly-completed plant will commence volume production from March 2024 for its new customer and expects an uptick in order flow in the coming months. With its main production facilities in Malaysia, UMS is a key beneficiary of the trade diversification trend. On the back of the China-US trade tensions, more companies are looking to diversify their manufacturing footprints. The completion of the new plant in Penang offers new growth opportunities.

BUY; TP raised to S\$1.84 (previously S\$1.55). Our TP is raised to S\$1.84, pegged to a higher PE of 15x, near the previous peak in 2022, up from 13x as we expect outlook to improve. We have accounted for the enlarged share capital with the recent completion of the placement of new shares to raise S\$51.6m. Maintain BUY.

Key Risks

Historically, c.90% of UMS's revenue on average has been attributed to Applied Materials (AMAT). Disruptions to the relationship or weakness in AMAT's end-demand could significantly weigh on UMS's performance.

At A Glance

Issued Capital (m shrs)	711
Mkt. Cap (S\$m/US\$m)	1,013 / 752
Major Shareholders (%)	
Andy Luong	15.0
Free Float (%)	85.0
3m Avg. Daily Val (US\$m)	4.2

GIC Industry : Information Technology / Semiconductors & Semiconductor Equipment

WHAT'S NEW**4Q23 results in line; expect a stronger year ahead**

4Q23 semiconductor revenue weaker y-o-y; aerospace segment did well. 4Q23 revenue declined 27% y-o-y to S\$73.5m but improved 3% q-o-q, mainly lifted by a stronger performance of its aerospace business. Semiconductor sales of S\$60m eased about 5% q-o-q (-18% y-o-y), impacted by the global semiconductor slowdown. Within the semiconductor segment, integrated system sales, which accounts for 53% of total semiconductor revenue, dropped 31% y-o-y, with the balance from component sales, which saw a 27% y-o-y decline.

Margins improving, overall results still in line. Gross margin improved to 52.8% in 4Q23 (from 46.5% in 4Q22 and 51.2% in 3Q23) due to the renewal of its integrated system contract and reversal of inventory provisions. With cost cutting measures in place, net profit eased by a smaller 2.9% y-o-y, and saw a 2.2% q-o-q improvement from 3Q23 to S\$15.7m. Overall, the group registered a 39% y-o-y drop in FY23 net profit to S\$60.0m on the back of a 10% decline in revenue to S\$300m, in line with our expectations.

A DPS of 2.2Scts was declared, up from 2Scts previously. Total DPS for FY23 worked out to 5.6Scts. (5Scts in FY22).

New plant to commence production for new customer in March 2024; expect growing order momentum in coming months. Built at an estimated cost of RM250m, the new plant is focused on medium and large format products, special processes, and modular assembly of products for its new customer.

Completion of new plant offers new growth opportunities to ride on the China +1 strategy. With the completion of its new production facilities in Penang, the group is well poised to ride on the trade diversification trend on the back of the geopolitical uncertainties and the need to build a resilient supply chain. The new plant has a floor area of about 300,000 sq. ft. (vs. c.500,000 sq. ft. for the entire existing group).

Semiconductor industry recovery intact; upcycle to continue through 2026. Global semiconductor shipments in Nov '23

further improved from the low in Feb '23. We expect the semiconductor industry to register strong growth in 2024 and 2025 after a weak 2023. Semiconductor revenue declined 10.9% y-o-y in 2023 after a flat 2022 and is expected to recover strongly by 16.8% in 2024 and 15.5% in 2025, according to Gartner. SEMI expects the rebound in 2024 to persist and extend into 2026. The rebound is expected to be accompanied by wafer shipments reaching new highs and as demand for silicon surges to support artificial intelligence (AI), high performance computing (HPC), 5G, automotive, and various industrial applications.

Key customers providing positive guidance; riding on surge in AI and IoT demand. The group's key customers have recently shared positive performance guidance in the coming months as they look to benefit from the robust semiconductor industry growth driven by the surge in AI and IoT demand in the years to come.

Earnings raised by 9% on improving outlook; maintain BUY with higher TP of S\$1.84. We have raised FY24F and FY25F earnings by 9% each on improving outlook, as UMS is poised to ride on this semiconductor upcycle. Furthermore, its key customers have also provided positive guidance. Our TP is raised to S\$1.84 (previously S\$1.55) on a higher PE of 15x, near the previous peak in 2022, up from 13x as we expect outlook to improve. Our TP has also accounted for the enlarged share capital with the recent completion of the placement of new shares. Maintain BUY.

Company Background

UMS Holdings (UMSH SP) is an integrated original equipment manufacturer (OEM) for front-end semiconductor equipment, providing both component manufacturing and sub-assembly services, primarily to its key client Applied Materials (AMAT).

UMS Holdings

Quarterly / Interim Income Statement (S\$m)

FY Dec	4Q2022	3Q2023	4Q2023	% chg yoy	% chg qoq
Revenue	101	71.3	73.5	(27.2)	3.2
Cost of Goods Sold	(54.1)	(34.8)	(34.7)	(35.8)	(0.3)
Gross Profit	46.9	36.5	38.8	(17.3)	6.5
Other Oper. (Exp)/Inc	(27.8)	(19.2)	(21.6)	(22.1)	12.8
Operating Profit	19.2	17.3	17.2	(10.2)	(0.6)
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	-	-
Associates & JV Inc	0.0	0.0	0.0	-	-
Net Interest (Exp)/Inc	(0.2)	0.19	0.08	nm	(60.8)
Exceptional Gain/(Loss)	0.0	0.0	0.0	-	-
Pre-tax Profit	18.9	17.5	17.3	(8.7)	(1.2)
Tax	(2.8)	(2.1)	(1.4)	(48.4)	(30.6)
Minority Interest	0.0	(0.1)	(0.2)	nm	-101.2
Net Profit	16.1	15.3	15.7	(2.9)	2.2
Net profit bef Except.	16.1	15.3	15.7	(2.9)	2.2
EBITDA	23.5	22.2	20.8	(11.6)	(6.1)
Margins (%)					
Gross Margins	46.5	51.2	52.8		
Opg Profit Margins	19.0	24.3	23.4		
Net Profit Margins	16.0	21.5	21.3		

Source of all data: Company, DBS Bank Ltd

Historical PE and PB band



Source: Bloomberg Finance L.P., DBS Bank Ltd estimates



Source: Bloomberg Finance L.P., DBS Bank Ltd estimates

UMS Holdings

Key Assumptions

FY Dec	2021A	2022A	2023A	2024F	2025F
Gross Profit (\$ m)	143	186	150	190	203
Revenue Growth (%)	64.9	37.3	(19.5)	24.3	6.93
Operating Profit Margin (%)	29.0	28.5	23.1	28.5	29.0
Effective Tax Rate (%)	27.5	1.20	10.7	12.0	12.0
Capex (\$ m)	20.0	52.8	28.7	20.0	20.0

Segmental Breakdown

FY Dec	2021A	2022A	2023A	2024F	2025F
Revenues (\$m)					
Components	139	170	120	150	158
Semiconductor	104	153	140	175	184
Integrated System					
Others	28.5	49.4	39.9	47.9	57.5
Total	271	372	300	373	399

Income Statement (\$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Revenue	271	372	300	373	399
Cost of Goods Sold	(128)	(187)	(150)	(183)	(195)
Gross Profit	143	186	150	190	203
Other Opng (Exp)/Inc	(64.5)	(79.6)	(81.1)	(83.9)	(87.7)
Operating Profit	78.6	106	69.2	106	116
Other Non Opng (Exp)/Inc	1.19	(2.0)	(0.9)	0.0	0.0
Associates & JV Inc	0.36	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.8)	(0.9)	0.22	0.22	0.22
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	79.4	103	68.5	106	116
Tax	(21.8)	(1.2)	(7.3)	(12.8)	(13.9)
Minority Interest	(4.5)	(3.8)	(1.2)	(6.4)	(6.4)
Preference Dividend	0.0	0.0	0.0	0.0	0.0
Net Profit	53.1	98.2	60.0	87.3	95.5
Net Profit before Except.	53.1	98.2	60.0	87.3	95.5
EBITDA	92.6	120	86.5	125	134
Growth					
Revenue Gth (%)	64.9	37.3	(19.5)	24.3	6.9
EBITDA Gth (%)	97.0	29.6	(27.9)	43.9	7.5
Opg Profit Gth (%)	60.3	35.0	(34.8)	53.6	8.8
Net Profit Gth (Pre-ex) (%)	45.6	84.9	(38.9)	45.6	9.4
Margins & Ratio					
Gross Margins (%)	52.8	49.9	50.1	51.0	51.0
Opg Profit Margin (%)	29.0	28.5	23.1	28.5	29.0
Net Profit Margin (%)	19.6	26.4	20.0	23.4	24.0
ROAE (%)	20.1	31.8	17.1	21.2	19.4
ROA (%)	14.2	21.2	12.3	16.0	14.9
ROCE (%)	16.4	25.0	14.2	18.1	16.8
Div Payout Ratio (%)	63.1	34.2	62.6	40.7	37.2
Net Interest Cover (x)	104.8	119.1	NM	NM	NM

Source: Company, DBS Bank Ltd

UMS Holdings

Quarterly Income Statement (\$m)

FY Dec	4Q2022	1Q2023	2Q2023	3Q2023	4Q2023
Revenue	101	80.8	74.4	71.3	73.5
Cost of Goods Sold	(54.1)	(40.2)	(39.9)	(34.8)	(34.7)
Gross Profit	46.9	40.5	34.4	36.5	38.8
Other Oper. (Exp)/Inc	(27.8)	(20.5)	(20.7)	(19.2)	(21.6)
Operating Profit	19.2	20.0	13.8	17.3	17.2
Other Non Opg (Exp)/Inc	0.0	0.0	0.0	0.0	0.0
Associates & JV Inc	0.0	0.0	0.0	0.0	0.0
Net Interest (Exp)/Inc	(0.2)	(0.1)	0.05	0.19	0.08
Exceptional Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
Pre-tax Profit	18.9	19.9	13.8	17.5	17.3
Tax	(2.8)	(2.3)	(1.6)	(2.1)	(1.4)
Minority Interest	0.0	(0.3)	(0.6)	(0.1)	(0.2)
Net Profit	16.1	17.4	11.6	15.3	15.7
Net profit bef Except.	16.1	17.4	11.6	15.3	15.7
EBITDA	23.5	24.7	18.7	22.2	20.8

Growth

Revenue Gth (%)	0.9	(20.0)	(7.9)	(4.2)	3.2
EBITDA Gth (%)	(30.3)	4.8	(23.9)	18.2	(6.1)
Opg Profit Gth (%)	(35.9)	4.7	(31.3)	25.6	(0.6)
Net Profit Gth (Pre-ex) (%)	(62.0)	7.5	(33.1)	32.0	2.2

Margins

Gross Margins (%)	46.5	50.2	46.3	51.2	52.8
Opg Profit Margins (%)	19.0	24.8	18.5	24.3	23.4
Net Profit Margins (%)	16.0	21.5	15.6	21.5	21.3

Balance Sheet (\$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Net Fixed Assets	117	135	153	155	157
Invts in Associates & JVs	0.0	0.0	0.0	0.0	0.0
Other LT Assets	100	101	99.4	99.1	98.8
Cash & ST Invts	65.1	61.7	67.5	126	180
Inventory	87.1	111	111	135	145
Debtors	67.2	78.7	56.2	91.9	98.3
Other Current Assets	0.32	0.97	0.59	0.59	0.59
Total Assets	437	488	487	608	679
ST Debt	11.6	11.5	6.79	6.79	6.79
Creditor	56.1	56.7	49.6	55.1	58.9
Other Current Liab	21.7	12.8	9.51	14.7	15.8
LT Debt	22.7	18.4	15.8	15.8	15.8
Other LT Liabilities	20.4	20.4	18.5	18.5	18.5
Shareholder's Equity	276	340	360	463	523
Minority Interests	27.9	27.9	27.1	33.5	39.9
Total Cap. & Liab.	437	488	487	608	679
Non-Cash Wkg. Capital	76.8	121	108	158	169
Net Cash/(Debt)	30.8	31.8	44.9	103	157
Debtors Turn (avg days)	61.0	71.5	82.1	72.5	87.1
Creditors Turn (avg days)	128.4	120.6	147.7	116.2	117.4
Inventory Turn (avg days)	222.5	211.4	307.5	272.9	288.2
Asset Turnover (x)	0.7	0.8	0.6	0.7	0.6
Current Ratio (x)	2.5	3.1	3.6	4.6	5.2
Quick Ratio (x)	1.5	1.7	1.9	2.8	3.4
Net Debt/Equity (X)	CASH	CASH	CASH	CASH	CASH
Net Debt/Equity ex MI (X)	CASH	CASH	CASH	CASH	CASH
Capex to Debt (%)	58.3	176.4	127.3	88.7	88.7

Source: Company, DBS Bank Ltd

UMS Holdings

Cash Flow Statement (\$m)

FY Dec	2021A	2022A	2023A	2024F	2025F
Pre-Tax Profit	79.4	103	68.5	106	116
Dep. & Amort.	12.4	15.9	18.2	18.2	18.2
Tax Paid	(4.5)	(8.0)	(11.1)	(7.6)	(12.8)
Assoc. & JV Inc/(loss)	(0.4)	0.0	0.0	0.0	0.0
Chg in Wkg.Cap.	(7.6)	(21.5)	4.43	(54.7)	(11.9)
Other Operating CF	(13.4)	5.67	(0.2)	0.0	0.0
Net Operating CF	66.1	95.3	79.8	62.4	109
Capital Exp.(net)	(20.0)	(52.8)	(28.7)	(20.0)	(20.0)
Other Invs.(net)	(0.1)	(1.3)	0.13	0.0	0.0
Invs in Assoc. & JV	(0.7)	0.0	0.0	0.0	0.0
Div from Assoc & JV	0.0	0.0	0.0	0.0	0.0
Other Investing CF	(0.1)	(2.1)	(2.6)	0.0	0.0
Net Investing CF	(20.9)	(56.2)	(31.1)	(20.0)	(20.0)
Div Paid	(22.7)	(33.4)	(36.2)	(35.5)	(35.5)
Chg in Gross Debt	(8.6)	(4.4)	(7.4)	0.0	0.0
Capital Issues	0.0	0.0	0.0	51.6	0.0
Other Financing CF	(2.2)	0.28	(0.8)	0.0	0.0
Net Financing CF	(33.5)	(37.5)	(44.4)	16.1	(35.5)
Currency Adjustments	(0.4)	(5.1)	1.55	0.0	0.0
Chg in Cash	11.3	(3.4)	5.79	58.5	53.8
Opg CFPS (S cts)	11.0	17.4	11.2	16.5	17.1
Free CFPS (S cts)	6.87	6.35	7.62	5.97	12.6

Source: Company, DBS Bank Ltd

Target Price & Ratings 12-mth History



Note : Share price and Target price are adjusted for corporate actions.

S.No.	Date of Report	Closing Price	12-mth Target Price	Rating
1:	01 Mar 23	1.07	1.53	BUY
2:	11 May 23	0.97	1.20	BUY
3:	29 Sep 23	1.30	1.51	BUY
4:	14 Nov 23	1.26	1.55	BUY

Source: DBS Bank Ltd

Analyst: Lee Keng LING

DBS Bank Ltd recommendations are based on an Absolute Total Return* Rating system, defined as follows:
STRONG BUY (>20% total return over the next 3 months, with identifiable share price catalysts within this time frame)
BUY (>15% total return over the next 12 months for small caps, >10% for large caps)
HOLD (-10% to +15% total return over the next 12 months for small caps, -10% to +10% for large caps)
FULLY VALUED (negative total return, i.e., > -10% over the next 12 months)
SELL (negative total return of > -20% over the next 3 months, with identifiable share price catalysts within this time frame)

*Share price appreciation + dividends

Completed Date: 29 Feb 2024 08:59:14 (SGT)

Dissemination Date: 29 Feb 2024 09:34:28 (SGT)

Sources for all charts and tables are DBS Bank Ltd unless otherwise specified.

GENERAL DISCLOSURE/DISCLAIMER

This report is prepared by DBS Bank Ltd. This report is solely intended for the clients of DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS Bank Ltd.

The research set out in this report is based on information obtained from sources believed to be reliable, but we (which collectively refers to DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd, its respective connected and associated corporations, affiliates and their respective directors, officers, employees and agents (collectively, the "DBS Group") have not conducted due diligence on any of the companies, verified any information or sources or taken into account any other factors which we may consider to be relevant or appropriate in preparing the research. Accordingly, we do not make any representation or warranty as to the accuracy, completeness or correctness of the research set out in this report. Opinions expressed are subject to change without notice. This research is prepared for general circulation. Any recommendation contained in this document does not have regard to the specific investment objectives, financial situation and the particular needs of any specific addressee. This document is for the information of addressees only and is not to be taken in substitution for the exercise of judgement by addressees, who should obtain separate independent legal or financial advice. The DBS Group accepts no liability whatsoever for any direct, indirect and/or consequential loss (including any claims for loss of profit) arising from any use of and/or reliance upon this document and/or further communication given in relation to this document. This document is not to be construed as an offer or a solicitation of an offer to buy or sell any securities. The DBS Group, along with its affiliates and/or persons associated with any of them may from time to time have interests in the securities mentioned in this document. The DBS Group, may have positions in, and may effect transactions in securities mentioned herein and may also perform or seek to perform broking, investment banking and other banking services for these companies.

Any valuations, opinions, estimates, forecasts, ratings or risk assessments herein constitutes a judgment as of the date of this report, and there can be no assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments. The information in this document is subject to change without notice, its accuracy is not guaranteed, it may be incomplete or condensed, it may not contain all material information concerning the company (or companies) referred to in this report and the DBS Group is under no obligation to update the information in this report.

This publication has not been reviewed or authorized by any regulatory authority in Singapore, Hong Kong or elsewhere. There is no planned schedule or frequency for updating research publication relating to any issuer.

The valuations, opinions, estimates, forecasts, ratings or risk assessments described in this report were based upon a number of estimates and assumptions and are inherently subject to significant uncertainties and contingencies. It can be expected that one or more of the estimates on which the valuations, opinions, estimates, forecasts, ratings or risk assessments were based will not materialize or will vary significantly from actual results. Therefore, the inclusion of the valuations, opinions, estimates, forecasts, ratings or risk assessments described herein IS NOT TO BE RELIED UPON as a representation and/or warranty by the DBS Group (and/or any persons associated with the aforesaid entities), that:

- (a) such valuations, opinions, estimates, forecasts, ratings or risk assessments or their underlying assumptions will be achieved, and
- (b) there is any assurance that future results or events will be consistent with any such valuations, opinions, estimates, forecasts, ratings or risk assessments stated therein.

Please contact the primary analyst for valuation methodologies and assumptions associated with the covered companies or price targets.

Any assumptions made in this report that refers to commodities, are for the purposes of making forecasts for the company (or companies) mentioned herein. They are not to be construed as recommendations to trade in the physical commodity or in the futures contract relating to the commodity referred to in this report.

DBSVUSA, a US-registered broker-dealer, does not have its own investment banking or research department, has not participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months and does not engage in market-making.

ANALYST CERTIFICATION

The research analyst(s) primarily responsible for the content of this research report, in part or in whole, certifies that the views about the companies and their securities expressed in this report accurately reflect his/her personal views. The analyst(s) also certifies that no part of his/her compensation was, is, or will be, directly or indirectly, related to specific recommendations or views expressed in the report. The research analyst (s) primarily responsible for the content of this research report, in part or in whole, certifies that he or his associate¹ does not serve as an officer of the issuer or the new listing applicant (which includes in the case of a real estate investment trust, an officer of the management company of the real estate investment trust; and in the case of any other entity, an officer or its equivalent counterparty of the entity who is responsible for the management of the issuer or the new listing applicant) and the research analyst(s) primarily responsible for the content of this research report or his associate does not have financial interests² in relation to an issuer or a new listing applicant that the analyst reviews. DBS Group has procedures in place to eliminate, avoid and manage any potential conflicts of interests that may arise in connection with the production of research reports. The research analyst(s) responsible for this report operates as part of a separate and independent team to the investment banking function of the DBS Group and procedures are in place to ensure that confidential information held by either the research or investment banking function is handled appropriately. There is no direct link of DBS Group's compensation to any specific investment banking function of the DBS Group.

COMPANY-SPECIFIC / REGULATORY DISCLOSURES

1. DBS Bank Ltd, DBS HK, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), DBSVUSA, or their subsidiaries and/or other affiliates have a proprietary position in Applied Materials Inc recommended in this report as of 31 Jan 2024.

Compensation for investment banking services:

2. DBSVUSA does not have its own investment banking or research department, nor has it participated in any public offering of securities as a manager or co-manager or in any other investment banking transaction in the past twelve months. Any US persons wishing to obtain further information, including any clarification on disclosures in this disclaimer, or to effect a transaction in any security discussed in this document should contact DBSVUSA exclusively.


Disclosure of previous investment recommendation produced:

3. DBS Bank Ltd, DBS HK, DBSVS, DBSVUSA, their subsidiaries and/or other affiliates may have published other investment recommendations in respect of the same securities / instruments recommended in this research report during the preceding 12 months. Please contact the primary analyst listed on page 1 of this report to view previous investment recommendations published by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS"), their subsidiaries and/or other affiliates in the preceding 12 months.

¹ An associate is defined as (i) the spouse, or any minor child (natural or adopted) or minor step-child, of the analyst; (ii) the trustee of a trust of which the analyst, his spouse, minor child (natural or adopted) or minor step-child, is a beneficiary or discretionary object; or (iii) another person accustomed or obliged to act in accordance with the directions or instructions of the analyst.

² Financial interest is defined as interests that are commonly known financial interest, such as investment in the securities in respect of an issuer or a new listing applicant, or financial accommodation arrangement between the issuer or the new listing applicant and the firm or analysis. This term does not include commercial lending conducted at arm's length, or investments in any collective investment scheme other than an issuer or new listing applicant notwithstanding the fact that the scheme has investments in securities in respect of an issuer or a new listing applicant.

RESTRICTIONS ON DISTRIBUTION

General	This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or other jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation.
Australia	<p>This report is being distributed in Australia by DBS Bank Ltd, DBS Vickers Securities (Singapore) Pte Ltd ("DBSVS") or DBSV HK. DBS Bank Ltd holds Australian Financial Services Licence no. 475946.</p> <p>DBS Bank Ltd, DBSVS, and DBSV HK are exempted from the requirement to hold an Australian Financial Services Licence under the Corporation Act 2001 ("CA") in respect of financial services provided to the recipients. Both DBS and DBSVS, are regulated by the Monetary Authority of Singapore under the laws of Singapore, and DBSV HK is regulated by the Hong Kong Securities and Futures Commission under the laws of Hong Kong, which differ from Australian laws.</p> <p>Distribution of this report is intended only for "wholesale investors" within the meaning of the CA.</p>
Hong Kong	<p>This report has been prepared by a personnel of DBS Bank Ltd, who is not licensed by the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities in Hong Kong pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). This report is being distributed in Hong Kong and is attributable to DBS Bank (Hong Kong) Limited ("DBS HK"), a registered institution registered with the Hong Kong Securities and Futures Commission to carry on the regulated activity of advising on securities pursuant to the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). DBS Bank Ltd., Hong Kong Branch is a limited liability company incorporated in Singapore.</p> <p>For any query regarding the materials herein, please contact Dennis Lam (Reg No. AH8290) at dbsvhk@dbs.com</p>
Indonesia	This report is being distributed in Indonesia by PT DBS Vickers Sekuritas Indonesia.
Malaysia	<p>This report is distributed in Malaysia by AllianceDBS Research Sdn Bhd ("ADBSR"). Recipients of this report, received from ADBSR are to contact the undersigned at 603-2604 3333 in respect of any matters arising from or in connection with this report. In addition to the General Disclosure/Disclaimer found at the preceding page, recipients of this report are advised that ADBSR (the preparer of this report), its holding company Alliance Investment Bank Berhad, their respective connected and associated corporations, affiliates, their directors, officers, employees, agents and parties related or associated with any of them may have positions in, and may effect transactions in the securities mentioned herein and may also perform or seek to perform broking, investment banking/corporate advisory and other services for the subject companies. They may also have received compensation and/or seek to obtain compensation for broking, investment banking/corporate advisory and other services from the subject companies.</p> <p style="text-align: right;">  Wong Ming Tek, Executive Director, ADBSR </p>
Singapore	This report is distributed in Singapore by DBS Bank Ltd (Company Regn. No. 196800306E) or DBSVS. (Company Regn No. 198600294G), both of which are Exempt Financial Advisers as defined in the Financial Advisers Act and regulated by the Monetary Authority of Singapore. DBS Bank Ltd and/or DBSVS, may distribute reports produced by its respective foreign entities, affiliates or other foreign research houses pursuant to an arrangement under Regulation 32C of the Financial Advisers Regulations. Where the report is distributed in Singapore to a person who is not an Accredited Investor, Expert Investor or an Institutional Investor, DBS Bank Ltd accepts legal responsibility for the contents of the report to such persons only to the extent required by law. Singapore recipients should contact DBS Bank Ltd at 6878 8888 for matters arising from, or in connection with the report.
Thailand	<p>This report is being distributed in Thailand by DBS Vickers Securities (Thailand) Co Ltd.</p> <p>For any query regarding the materials herein, please contact Chanpen Sirithanarattanakul at research@th.dbs.com</p>

United Kingdom	<p>This report is produced by DBS Bank Ltd which is regulated by the Monetary Authority of Singapore.</p> <p>This report is disseminated in the United Kingdom by DBS Bank Ltd, London Branch ("DBS UK"). DBS UK is authorised by the Prudential Regulation Authority and is subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.</p> <p>In respect of the United Kingdom, this report is solely intended for the clients of DBS UK, its respective connected and associated corporations and affiliates only and no part of this document may be (i) copied, photocopied or duplicated in any form or by any means or (ii) redistributed without the prior written consent of DBS UK, This communication is directed at persons having professional experience in matters relating to investments. Any investment activity following from this communication will only be engaged in with such persons. Persons who do not have professional experience in matters relating to investments should not rely on this communication.</p>
Dubai International Financial Centre	<p>This communication is provided to you as a Professional Client or Market Counterparty as defined in the DFSA Rulebook Conduct of Business Module (the "COB Module"), and should not be relied upon or acted on by any person which does not meet the criteria to be classified as a Professional Client or Market Counterparty under the DFSA rules.</p> <p>This communication is from the branch of DBS Bank Ltd operating in the Dubai International Financial Centre (the "DIFC") under the trading name "DBS Bank Ltd. (DIFC Branch)" ("DBS DIFC"), registered with the DIFC Registrar of Companies under number 156 and having its registered office at units 608 - 610, 6th Floor, Gate Precinct Building 5, PO Box 506538, DIFC, Dubai, United Arab Emirates.</p> <p>DBS DIFC is regulated by the Dubai Financial Services Authority (the "DFSA") with a DFSA reference number F000164. For more information on DBS DIFC and its affiliates, please see http://www.dbs.com/ae/our-network/default.page.</p> <p>Where this communication contains a research report, this research report is prepared by the entity referred to therein, which may be DBS Bank Ltd or a third party, and is provided to you by DBS DIFC. The research report has not been reviewed or authorised by the DFSA. Such research report is distributed on the express understanding that, whilst the information contained within is believed to be reliable, the information has not been independently verified by DBS DIFC.</p> <p>Unless otherwise indicated, this communication does not constitute an "Offer of Securities to the Public" as defined under Article 12 of the Markets Law (DIFC Law No.1 of 2012) or an "Offer of a Unit of a Fund" as defined under Article 19(2) of the Collective Investment Law (DIFC Law No.2 of 2010).</p> <p>The DFSA has no responsibility for reviewing or verifying this communication or any associated documents in connection with this investment and it is not subject to any form of regulation or approval by the DFSA. Accordingly, the DFSA has not approved this communication or any other associated documents in connection with this investment nor taken any steps to verify the information set out in this communication or any associated documents, and has no responsibility for them. The DFSA has not assessed the suitability of any investments to which the communication relates and, in respect of any Islamic investments (or other investments identified to be Shari'a compliant), neither we nor the DFSA has determined whether they are Shari'a compliant in any way.</p> <p>Any investments which this communication relates to may be illiquid and/or subject to restrictions on their resale. Prospective purchasers should conduct their own due diligence on any investments. If you do not understand the contents of this document you should consult an authorised financial adviser.</p>

UMS Holdings

United States	This report was prepared by DBS Bank Ltd. DBSVUSA did not participate in its preparation. The research analyst(s) named on this report are not registered as research analysts with FINRA and are not associated persons of DBSVUSA. The research analyst(s) are not subject to FINRA Rule 2241 restrictions on analyst compensation, communications with a subject company, public appearances and trading securities held by a research analyst. This report is being distributed in the United States by DBSVUSA, which accepts responsibility for its contents. This report may only be distributed to Major U.S. Institutional Investors (as defined in SEC Rule 15a-6) and to such other institutional investors and qualified persons as DBSVUSA may authorize. Any U.S. person receiving this report who wishes to effect transactions in any securities referred to herein should contact DBSVUSA directly and not its affiliate.
Other jurisdictions	In any other jurisdictions, except if otherwise restricted by laws or regulations, this report is intended only for qualified, professional, institutional or sophisticated investors as defined in the laws and regulations of such jurisdictions.

DBS Regional Research Offices

HONG KONG

DBS Bank (Hong Kong) Ltd

Contact: Dennis Lam
13th Floor One Island East,
18 Westlands Road,
Quarry Bay, Hong Kong
Tel: 852 3668 4181
Fax: 852 2521 1812
e-mail: dbsvhk@dbs.com

SINGAPORE

DBS Bank Ltd

Contact: Andy Sim
12 Marina Boulevard,
Marina Bay Financial Centre Tower 3
Singapore 018982
Tel: 65 6878 8888
e-mail: groupresearch@dbs.com
Company Regn. No. 196800306E

INDONESIA

PT DBS Vickers Sekuritas (Indonesia)

Contact: Maynard Priajaya Arif
DBS Bank Tower
Ciputra World 1, 32/F
Jl. Prof. Dr. Satrio Kav. 3-5
Jakarta 12940, Indonesia
Tel: 62 21 3003 4900
Fax: 6221 3003 4943
e-mail: indonesiaesearch@dbs.com

THAILAND

DBS Vickers Securities (Thailand) Co Ltd

Contact: Chanpen Sirithanarattanakul
989 Siam Piwat Tower Building,
9th, 14th-15th Floor
Rama 1 Road, Pathumwan,
Bangkok Thailand 10330
Tel. 66 2 857 7831
Fax: 66 2 658 1269
e-mail: research@th.dbs.com
Company Regn. No 0105539127012
Securities and Exchange Commission, Thailand