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## **UMS' NET PROFIT AFTER TAX INCREASES 19% TO S\$21.3 MILLION IN 9M2014 AND CONTINUES INTERIM DIVIDEND OF S\$0.01 PER SHARE**

### **Highlights**

- Revenue increased 2% to S\$87.8 million in 9M2014 from S\$86.0 million a year ago
- UMS continues to demonstrate strong cash generation ability for the period under review. The Group posted a healthy net cash level of S\$32.9 million and declared an interim dividend of S\$0.01 per share

### **Financial Highlights:**

| S\$ (million)     | 3 months<br>3Q2014<br>A | 3 months<br>3Q2013<br>B | Change<br>(A-B)/B | 9 months<br>FY2014<br>D | 9 months<br>FY2013<br>E | Change<br>(D-E)/E |
|-------------------|-------------------------|-------------------------|-------------------|-------------------------|-------------------------|-------------------|
| Revenue           | 24.8                    | 25.4                    | ↓ 2%              | 87.8                    | 86.0                    | ↑ 2%              |
| Profit before tax | 5.8                     | 5.5                     | ↑ 6%              | 23.7                    | 19.9                    | ↑ 19%             |
| Net profit        | 5.5                     | 4.8                     | ↑ 14%             | 21.3                    | 17.9                    | ↑ 19%             |

**SINGAPORE, 13 November 2014** – SGX Mainboard-listed UMS Holdings Limited (“UMS” or “the Group”), a strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturer, today announced a healthy set of financial results for the nine months ended 30 September 2014 (“9M2014”).

In 9M2014, UMS’ revenue increased 2% to S\$87.8 million from S\$86.0 million in the nine months ended 30 September 2013 (“9M2013”). This was a result of an increase in semiconductor component sales, which was partially offset by lower semiconductor Integrated System sales.

Revenue for the three months ended 30 September 2014 (“3Q2014”) declined 2% to S\$24.8 million from S\$25.4 million a year ago (“3Q2013”) as a result of lower Contract Equipment Manufacturing (CEM) sales.

The third quarter is traditionally a period where the Group experiences lower orders. Thus, on a quarter-on-quarter (Q-o-Q) basis, UMS’ revenue decreased 14% as compared to the preceding three months ended 30 June 2014 (“2Q2014”).

## **Profitability**

UMS’ gross material margin improved from 50% in 9M2013 to 54% in 9M2014 as a result of higher proportion of semiconductor component sales.

In 9M2014, there was a slight increase of 3% for employee benefits expense to S\$9.4 million from S\$9.1 million in 9M2013. Depreciation expense remained relatively flat at S\$5.8 million in 9M2014 (9M2013: S\$5.9 million). Other expenses increased 3% in 9M2014 to S\$9.2 million from S\$8.9 million in 9M2013.

As a result of the above, UMS registered a 19% jump in net profit from S\$17.9 million in 9M2013 to S\$21.3 million in 9M2014.

For the quarter under review, gross material margin inched up 1 percentage point to 54% in 3Q2014 as compared to 3Q2013.

Other expenses decreased 3% to S\$2.9 million in 3Q2014 from S\$3.0 million in 3Q2013, primarily because of lower upkeep of properties and equipment costs. Due to the strengthening of the US dollar during the period, other credits / charges in 3Q2014 recorded an exchange gain of S\$0.5 million as compared with an exchange loss of S\$0.2 million in 3Q2013. Additionally, there was no provision for inventory during the quarter compared to a provision of S\$0.2 million in 3Q2013.

These factors resulted in a 14% jump in net profit from S\$4.8 million in 3Q2013 to S\$5.5 million in 3Q2014.

## **Strong Cash Generation Ability**

UMS continues to demonstrate strong cash generation capability by registering a positive operating cash flow of S\$25.4 million in 9M2014, a 20% increase from S\$21.1 million a year ago. Free cash flow remained relatively flat at S\$19.9 million in 9M2014.

As of 30 September 2014, UMS had no bank borrowings and its net cash and cash equivalents remained healthy at S\$32.9 million. Additionally, the Directors are pleased to propose an interim dividend of ONE (1) Singapore cent per share.

## **Outlook**

Typically, the Group's customer demand in the last quarter of the year is higher than the cyclical low experienced in the third quarter. The improvement that the Group is witnessing now appears to be a little subdued as some end users of our customer has pushed back their deliveries. As such, the Group expects the performance in 4Q2014 to be relatively flat sequentially.

According to WSTS (World Semiconductor Trade Statistics), a leading global organization, 2014 should achieve a global growth rate of 6.5% with the absolute figure expecting to be US\$325 billion for the total global semiconductor revenue. Moreover, it has also revised up its forecasts for the total global semiconductor revenue in 2015 to be about US\$336 billion<sup>1</sup>.

Additionally, SEMI, a leading global semiconductor trade association, also predicts a healthy equipment spending into 2015. The general consensus for the semiconductor industry is for this year's positive trend to continue into 2015 as both revenue growth and unit shipment growth are expected to be in the mid- to high- single digit range. Front end fab equipment spending is projected to grow another 20% in 2015 to \$42 billion. According to the SEMI World Fab Forecast data, this means that 2015 spending could mark a historical record high, surpassing the previous peak years of 2007 (\$39 billion) and 2011 (\$40 billion)<sup>2</sup>.

Commenting on its latest financial performance, Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited remarked "***This quarter's results is within our expectation and we will be profitable for the year. Leading research institutions are predicting that 2015 will be another good year and we are definitely looking forward to that. We remain committed to rewarding our shareholders through our quarterly dividend payouts.***"

#End of Release#

<sup>1</sup>Refer to <http://www.forbes.com/sites/jimhandy/2014/06/26/wsts-updates-semiconductor-forecast-325-billion-in-2014/>

<sup>2</sup>Refer to <http://www.semi.org/en/node/51311>

*Note: This press release is to be read in conjunction with the related mandatory announcement filed by UMS on SGX net.*

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ISSUED ON BEHALF OF **UMS HOLDINGS LIMITED**  
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## **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.