



UMS Holdings Limited
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UMS' NET PROFIT IN 3Q2015 INCREASES 56% TO S\$8.5 MILLION, CONTINUES QUARTERLY DIVIDEND PAYOUT

Highlights

- Strong orders momentum from 2Q2015 carried into the current quarter, resulting in revenue increase of 24%
- UMS continues to generate a positive operating cash flow while maintaining its quarterly dividend payout of S\$0.01 per share
- The Group remains confident of being profitable for the rest of the year despite an expected slowdown in 4Q2015

Financial Highlights:

S\$ (million)	3 months 3Q2015 A	3 months 3Q2014 B	Change (A-B)/B	9 months FY2015 C	9 months FY2014 D	Change (C-D)/D
Revenue	30.7	24.8	↑ 24%	89.2	87.8	↑ 2%
Profit before tax	9.4	5.8	↑ 62%	27.1	23.7	↑ 14%
Net profit	8.5	5.5	↑ 56%	24.3	21.3	↑ 15%
Free cash flow	3.5	5.7	↓ 39%	22.5	19.9	↑ 13%

SINGAPORE, 9 November 2015 – SGX Mainboard-listed UMS Holdings Limited (“UMS” or “the Group”), a strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers, today announced its financial results for the three months and nine months ended 30 September 2015 (“3Q2015” and “9M2015” respectively).

Following the pick up in business activities in the previous quarter (“2Q2015”), the momentum continued into 3Q2015. On a sequential basis, revenue was \$30.7 million in 2Q2015, as compared to S\$31.0 million in 3Q2015

For 9M2015, UMS’ revenue rose 2% to S\$89.2 million, from S\$87.8 million for the previous corresponding nine months (“9M2014”).

Profitability

The Group’s gross material margin edged up 1 percentage point from 54% in 3Q2014 to 55% in 3Q2015. Employee benefits expense increased 23% to S\$3.9 million because of higher provisions made by the Group while depreciation expense decreased 10% in the same period as some fixed assets had been fully depreciated.

During 3Q2015, UMS’ other expenses stood at S\$3.6 million, a 25% increase from S\$2.9 million in 3Q2014, mainly due to a provision made for building reinstatement at its premises at 25 Changi North Rise. The Group had transferred most of its production activity at this location to its Penang plant and had relocated its administrative functions to 23 Changi North Crescent. This move is expected to achieve a cost savings of at least S\$0.5 million annually.

Other credits included an exchange gain of S\$2.4 million resulting from the appreciation of US dollar during 3Q2015 (3Q2014 Exchange Gain: S\$0.5 million).

As a result of the above, UMS’ net profit after tax increased 56% from S\$5.5 million in 3Q2014 to S\$8.5 million in 3Q2015.

During 9M2015, UMS' gross material margin grew 2 percentage points to 56%. Employee benefits expense increased 14% to S\$10.7 million while depreciation expense and other expenses remained flat at S\$5.8 million and S\$9.2 million respectively. Other credits grew to S\$2.4 million in the same period from S\$0.2 million in 9M2014.

As a result of the above mentioned reasons, the Group recorded a higher net profit of S\$24.3 million in 9M2015, which is 15% higher than S\$21.3 million in 9M2014.

Positive Cash Generation Ability

The Group had generated a positive operating cash flow of S\$4.4 million and free cash flow of S\$3.5 million in 3Q2015. In 9M2015, UMS recorded operating cash flow of S\$24.0 million and free cash flow of S\$22.5 million.

UMS has no bank borrowings and its net cash and cash equivalent remained at a healthy level of S\$38.3 million as at 30 September 2015. With the Group's strong cash generation ability and healthy cash position, the Directors are pleased to declare a dividend of ONE (1) Singapore cent per share for 3Q2015.

Outlook

The Group had previously mentioned that the second half of the financial year will be stronger. Whilst business activities did pick up earlier than expected during the previous two quarters, orders from the Group's major customer are showing signs of tapering down as we enter the last quarter of the year.

Similarly, Gartner, a global information technology research house, has again revised its forecast downwards for 2015 to a decline of 1%, down from the previous quarter's forecast of 2.5% growth¹.

Despite the short term weakness, the Group is optimistic about its mid to long term prospects. A technology report² published by Deutsche Bank in October 2015 envisage the migration from 3G to 4G/5G will continue to drive strong mobile device growth into

2020. Additionally, the newer devices will demand more costly hardware, which will drive continuous foundry technology upgrades and thereby spending in semiconductor equipment.

Barring unforeseen circumstances, the board of directors is confident that the Group will be profitable in 2H2015.

Commenting on the Group's business outlook, Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited pointed out **“Although the general environment has become uncertain in the short term, we remain confident of being profitable for the rest of the year despite an expected slowdown in 4Q2015.”**

#End of Release#

¹Refer to <http://www.gartner.com/newsroom/id/3149617>

²Report titled “F.I.T.T. for investors 4G and beyond” published on 22 October 2015

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

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.