

UMS HOLDINGS LIMITED
COMPANY REGISTRATION NO: 200100340R
Third Quarter Financial Statement And Dividend Announcement

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR ANNOUNCEMENTS

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

	Group					
	3Q			9 Months Ended		
	30-Sep-13 S\$'000	30-Sep-12 S\$'000	Change %	30-Sep-13 S\$'000	30-Sep-12 S\$'000	Change %
Revenue	25,375	22,952	11%	86,041	91,581	-6%
Net finance income/ (expense) (Note (a))	12	(53)	N.M	(30)	(137)	-78%
Changes in inventories	1,167	(2,577)	N.M	1,768	(4,384)	N.M
Raw material purchases and sub-contractors charges	(13,037)	(7,960)	64%	(44,418)	(40,210)	10%
Employee benefits expense	(2,926)	(2,828)	3%	(9,109)	(9,358)	-3%
Depreciation expense	(1,802)	(2,833)	-36%	(5,866)	(7,981)	-27%
Other expenses (Note (b))	(2,979)	(2,617)	14%	(8,936)	(8,315)	7%
Other (charges) / credits (Note (c))	(360)	(1,740)	-79%	462	(3,358)	N.M
Profit before income tax	5,450	2,344	133%	19,912	17,838	12%
Income tax expense (Note (d))	(641)	(215)	198%	(2,010)	(2,052)	-2%
Profit for the period from continuing operations	4,809	2,129	126%	17,902	15,786	13%
Attributable to:						
Equity holders of the Company	4,809	2,129	126%	17,902	15,786	13%
Minority interests	-	-	N.M	-	-	N.M
	4,809	2,129	126%	17,902	15,786	13%
Earnings per ordinary share (in cents)						
- basic and diluted	1.40	0.62	126%	5.21	4.59	14%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income/ (expenses)

	Group					
	3Q			9 Months Ended		
	30-Sep-13	30-Sep-12	Change	30-Sep-13	30-Sep-12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	12	14	-14%	36	58	-38%
Interest expense (Note (i))	-	(67)	-100%	(66)	(195)	-66%
Net finance income/ (expenses)	12	(53)	N.M	(30)	(137)	-78%

Note 1 (a)(a)(i) – The decrease in interest expenses was mainly due to the settlement of bank borrowings and finance lease obligation.

Note (b) Other expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-13	30-Sep-12	Change	30-Sep-13	30-Sep-12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(337)	(115)	193%	(848)	(330)	157%
Rental expense (includes leasing of land)	(374)	(422)	-11%	(1,180)	(1,330)	-11%
Utilities	(908)	(1,145)	-21%	(2,928)	(3,336)	-12%
Freight charges	(118)	(120)	-2%	(525)	(474)	11%
Insurance	(118)	(67)	76%	(311)	(148)	110%
Upkeep of properties and equipment (Note (ii))	(182)	(29)	528%	(264)	(132)	100%
Upkeep of machinery (Note (ii))	(489)	(217)	125%	(1,422)	(1,149)	24%
Others	(453)	(502)	-10%	(1,458)	(1,416)	3%
	(2,979)	(2,617)	14%	(8,936)	(8,315)	7%

Note 1 (b)(i) – Included in legal and professional fees is an amount payable to Sure Achieve Enterprises Pte Ltd. Refer to note 13.

Note 1 (b)(ii) – The increase were mainly due to maintenance of machinery and equipment carried out during the period.

Note (c) Other (charges)/ credits

	Group					
	3Q			9 Months Ended		
	30-Sep-13	30-Sep-12	Change	30-Sep-13	30-Sep-12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange (losses) / gain (Note (i))	(210)	(824)	-75%	1,065	(1,380)	N.M
Provision for trade doubtful debts	-	(223)	-100%	-	(223)	-100%
Gain/ (loss) on disposal of property, plant and equipment	93	-	N.M	129	(1)	N.M
Property, plant & equipment written off	(9)	(4)	125%	(9)	(7)	29%
Inventories written off	-	(942)	-100%	-	(942)	-100%
Allowance for inventories obsolescence	(210)	242	N.M	(747)	(835)	-11%
Others	(24)	11	N.M	24	30	-20%
	(360)	(1,740)	-79%	462	(3,358)	N.M

Note 1(a)(c)(i) - The exchange losses were due to depreciation of the US dollar during the period.

Note (d) Income tax

	Group					
	3Q			9 Months Ended		
	30-Jun-13	30-Jun-12	Change	30-Jun-13	30-Jun-12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(641)	(215)	198%	(2,010)	(2,052)	-2%
- Deferred tax	-	-	N.M	-	-	N.M
	(641)	(215)	198%	(2,010)	(2,052)	-2%

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	30 Sep 2013 S\$'000	31 Dec 2012 S\$'000	30 Sep 2013 S\$'000	31 Dec 2012 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	30,134	32,532	575	658
Trade receivables and other current assets (Note (iii))	14,790	13,274	422	2,026
Financial assets, available-for-sale (Note (iv))	-	4,276	-	-
Inventories (Note (v))	28,919	27,000	-	-
	73,843	77,082	997	2,684
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	44,505	50,230	-	-
Investment property	2,903	3,068	-	-
Goodwill	81,683	81,683	-	-
	129,091	134,981	192,415	192,415
Total Assets	202,934	212,063	193,412	195,099
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note (ii))	-	17,100	-	-
Trade and other payables (Note (vi))	12,030	10,341	5,094	4,763
Current portion of finance leases obligation (Note (vii))	-	138	-	-
Income tax payable	1,102	1,221	-	22
	13,132	28,800	5,094	4,785
Non Current Liabilities				
Deferred tax liabilities	2,216	2,186	10	10
Long-term provision *	564	564	-	-
	2,780	2,750	10	10
Total Liabilities	15,912	31,550	5,104	4,795
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(3,913)	(2,833)	-	85
Retained earnings	54,312	46,723	51,685	53,596
Total Equity	187,022	180,513	188,308	190,304
Total Liabilities and Equity	202,934	212,063	193,412	195,099

* Provision for reinstatement of leased premises.

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 30 September 2013 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	30-Sep-2013	31-Dec-2012	30-Sep-2013	31-Dec-2012
	%	%	S\$'000	S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
UMS Pte Ltd (Singapore)	100	100	127,081	127,081
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
Integrated Manufacturing Technologies Pte Ltd (Singapore)	100	100	19,803	19,803
Integrated Manufacturing Technologies Inc. (United States)	100	100	8,196	8,196
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
			<hr/>	
Unquoted equity shares, at cost			216,213	216,213
Less: Provision for impairment			(23,798)	(23,798)
			<hr/>	
			192,415	192,415
<hr/>				
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		

Note 1(b)(i)(ii) – The decrease in cash and cash equivalents by S\$2.4 million was mainly due to the repayment of bank borrowings during the period.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$1.5 million mainly due to the increase in sales as compared to 4Q2012.

Note 1(b)(i)(iv) – Financial asset, available for sale was disposed off during the period.

Note 1(b)(i)(v) – The increase in the inventories by S\$1.9 million was due to higher purchases to meet customer orders in the coming quarter.

Note 1(b)(i)(vi) – The increase in trade and other payables by S\$1.7 million was mainly due to higher purchases made during the period.

Note 1(b)(i)(vii) – All finance lease obligation were settled during the period.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 30 Sep 2013			As at 31 Dec 2012		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	17,238	-	17,238

Details of any collateral

The Group's borrowings comprise mainly finance leases and short-term bank borrowings. The finance leases were secured by mortgages over the plant and machinery of a subsidiary and the short-term bank borrowings were secured by corporate guarantee. During the financial period, the Group fully settled all the finance leases and bank borrowings.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group			
	3Q		9 Months Ended	
	30-Sep-13 S\$'000	30-Sep-12 S\$'000	30-Sep-13 S\$'000	30-Sep-12 S\$'000
Cash flows from operating activities				
Net profit before income tax	5,450	2,344	19,912	17,838
Adjustments for:				
Depreciation expense	1,802	2,833	5,866	7,981
Provision for trade doubtful debts	-	223	-	223
Allowance for inventories obsolescence	210	(242)	747	835
Inventories written off	-	942	-	942
Property, plant and equipment written off	9	4	9	7
(Gain)/ loss on disposal of property, plant and equipment	(93)	-	(129)	1
Interest income	(12)	(14)	(36)	(58)
Interest expense	-	67	66	195
Unrealised foreign exchange loss/ (gain)	379	2,254	(631)	2,819
Operating cash flows before working capital changes	7,745	8,411	25,804	30,783
Changes in working capital:				
Trade receivables and other current assets	2,909	5,393	(1,576)	3,472
Inventories	(1,492)	2,334	(2,665)	572
Trade and other payables	(1,063)	(4,835)	1,772	(6,539)
Cash generated from operations	8,099	11,303	23,335	28,288
Income tax paid	(1,086)	(2,273)	(2,186)	(4,661)
Net cash generated from operating activities	7,013	9,030	21,149	23,627
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	93	-	129	1
Purchase of property, plant and equipment	(676)	(943)	(1,123)	(1,088)
Proceeds on sale of financial assets, available-for-sale	-	-	4,276	-
Net cash outflow on acquisition of subsidiaries	-	-	-	(27,061)
Interest received	12	14	36	58
Net cash (used in) /generated from investing activities	(571)	(929)	3,318	(28,090)
Cash flows from financing activities				
Proceeds from bank borrowings	-	12,055	8,000	30,155
Repayment of bank borrowings	-	(5,000)	(25,100)	(13,000)
Dividends paid	(3,438)	(3,437)	(10,313)	(13,750)
Repayment of finance leases obligation	-	(555)	(138)	(2,085)
Increase in fixed deposit - restricted	8	21	4	22
Interest paid	-	(67)	(66)	(195)
Net cash (used in) /generated from financing activities	(3,430)	3,017	(27,613)	1,147
Net effect of exchange rate changes	(287)	(658)	751	(1,078)
Net increase/ (decrease) in cash and cash equivalents	2,725	10,460	(2,395)	(4,394)
Cash and cash equivalents at beginning of the period	27,156	22,815	32,276	37,669
Cash and cash equivalents at end of the period	29,881	33,275	29,881	33,275
Fixed deposit - restricted in use			253	256
Cash and cash equivalents in the Balance Sheet			30,134	33,531

- 1(d) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	3Q			9 Months Ended		
	30-Sep-13 S\$'000	30-Sep-12 S\$'000	Change %	30-Sep-13 S\$'000	30-Sep-12 S\$'000	Change %
Profit for the period	4,809	2,129	126%	17,902	15,786	13%
Other comprehensive income:						
Exchange differences on translation of foreign operations	(1,513)	(151)	902%	(1,080)	(1,065)	1%
Total comprehensive income for the period	3,296	1,978	67%	16,822	14,721	14%
Attributable to:						
Equity holders of the Company	3,296	1,978	67%	16,822	14,721	14%
Minority interests	-	-	N.M	-	-	N.M

1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group				
As at 1 January 2012	136,623	(1,543)	50,350	185,430
Changes in equity for first quarter				
Profit for the period	-	-	6,032	6,032
Other comprehensive income for the period	-	180	-	180
Total comprehensive income for the quarter	-	180	6,032	6,212
As at 31 March 2012	136,623	(1,363)	56,382	191,642
Changes in equity for second quarter				
Profit for the period	-	-	7,625	7,625
Other comprehensive income for the period	-	(1,094)	-	(1,094)
Total comprehensive income for the quarter	-	(1,094)	7,625	6,531
Dividend paid	-	-	(10,313)	(10,313)
As at 30 June 2012	136,623	(2,457)	53,694	187,860
Changes in equity for third quarter				
Profit for the period	-	-	2,129	2,129
Other comprehensive income for the period	-	(151)	-	(151)
Total comprehensive income for the quarter	-	(151)	2,129	1,978
Dividend paid	-	-	(3,437)	(3,437)
As at 30 September 2012	136,623	(2,608)	52,386	186,401

Group	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
As at 1 January 2013	136,623	(2,833)	46,723	180,513
Changes in equity for first quarter				
Profit for the period	-	-	5,256	5,256
Other comprehensive income for the period	-	248	-	248
Total comprehensive income for the quarter	-	248	5,256	5,504
As at 31 March 2013	<u>136,623</u>	<u>(2,585)</u>	<u>51,979</u>	<u>186,017</u>
Changes in equity for second quarter				
Profit for the period	-	-	7,837	7,837
Other comprehensive income for the period	-	185	-	185
Total comprehensive income for the quarter	-	185	7,837	8,022
Dividend paid	-	-	(6,875)	(6,875)
As at 30 June 2013	<u>136,623</u>	<u>(2,400)</u>	<u>52,941</u>	<u>187,164</u>
Changes in equity for third quarter				
Profit for the period	-	-	4,809	4,809
Other comprehensive income for the period	-	(1,513)	-	(1,513)
Total comprehensive income for the quarter	-	(1,513)	4,809	3,296
Dividend paid	-	-	(3,438)	(3,438)
As at 30 September 2013	<u>136,623</u>	<u>(3,913)</u>	<u>54,312</u>	<u>187,022</u>

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
As at 1 January 2012	136,623	85	47,927	184,635
Changes in equity for first quarter				
Profit for the period	-	-	1,296	1,296
Total comprehensive expenses for the quarter	-	-	1,296	1,296
As at 31 March 2012	136,623	85	49,223	185,931
Changes in equity for second quarter				
Loss for the period	-	-	(216)	(216)
Total comprehensive income for the quarter	-	-	(216)	(216)
Dividend paid	-	-	(10,313)	(10,313)
As at 30 June 2012	136,623	85	38,694	175,402
Changes in equity for third quarter				
Profit for the period	-	-	22,475	22,475
Total comprehensive expenses for the quarter	-	-	22,475	22,475
Dividend paid	-	-	(3,437)	(3,437)
As at 30 September 2012	136,623	85	57,732	194,440

	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company				
As at 1 January 2013	136,623	85	53,596	190,304
Changes in equity for first quarter				
Loss for the period	-	-	(337)	(337)
Total comprehensive expenses for the quarter	-	-	(337)	(337)
As at 31 March 2013	136,623	85	53,259	189,967
Changes in equity for second quarter				
Profit for the period	-	-	5,012	5,012
Total comprehensive income for the quarter	-	-	5,012	5,012
Dividend paid	-	-	(6,875)	(6,875)
As at 30 June 2013	136,623	85	51,396	188,104
Changes in equity for third quarter				
Profit for the period	-	(85)	3,727	3,642
Total comprehensive expenses for the quarter	-	(85)	3,727	3,642
Dividend paid	-	-	(3,438)	(3,438)
As at 30 September 2013	136,623	-	51,685	188,308

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2012 to 30 September 2013.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 30 September 2013 was 343,754,327 (30 September 2012: 343,754,327).

- 1(e)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

There was no treasury share as at 31 December 2012 and 30 September 2013.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our external auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2012.

- 5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013.

The adoption of the new/revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

- 6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

	Group			
	3Q		9 Months Ended	
	30-Sep-13	30-Sep-12	30-Sep-13	30-Sep-12
Earnings per share (EPS)				
(a) Based on weighted average number of outstanding ordinary shares in issue; and	1.40 cents	0.62 cents	5.21 cents	4.59 cents
(b) On a fully diluted basis	1.40 cents	0.62 cents	5.21 cents	4.59 cents

The basic earnings per share for the latest and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 of outstanding ordinary shares. The diluted earnings per share for the latest and the previous corresponding period have been calculated based on 343,754,327 of outstanding ordinary shares.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.

	Group		Company	
	30-Sep-13	31-Dec-12	30-Sep-13	31-Dec-12
Net asset per ordinary share based on existing issued share capital as at end of period reported on	54.41 cents	52.51 cents	54.78 cents	55.36 cents

The net asset per outstanding ordinary share as at the latest period and as at the end of the previous financial year have been calculated based on 343,754,327 and 343,754,327 outstanding ordinary shares.

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion on the following:

(a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Revenue

9 months 2013 Vs 9 months 2012

	Group		
	Nine Months Ended		
	30-Sep-13	30-Sep-12	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	1,739	5,181	-66%
Semiconductor (Semicon)	84,302	86,400	-2%
	86,041	91,581	-6%
Geographical Regions			
Singapore	49,943	60,257	-17%
United States of America ('US')	18,585	16,780	11%
Others	17,513	14,544	20%
	86,041	91,581	-6%

Revenue

3Q 2013 Vs 3Q 2012

	Group		
	3Q		
	30-Sep-13	30-Sep-12	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	745	1,019	-27%
Semiconductor (Semicon)	24,630	21,933	12%
	25,375	22,952	11%
Geographical Regions			
Singapore	12,186	13,302	-8%
United States of America ('US')	7,202	4,792	50%
Others	5,987	4,858	23%
	25,375	22,952	11%

Revenue

For the three months ended 30 September 2013 ("3Q2013"), UMS' revenue stood at S\$25.4 million, which translated to an increase of 11% as compared to S\$23.0 million a year ago ("3Q2012"). The increase was mainly due to higher component sales in the Semicon segment in 3Q2013.

Compared to the preceding three months ended 30 June 2013 ("2Q2013"), UMS' revenue in 3Q2013 declined 23% from S\$32.8 million. This is in line with the Group's expectation (previously announced) on a slower quarter of 3Q2013 as the recovery in the global semiconductor industry experienced a "breather" after two consecutive quarters of strong demand driven by the foundries' investment programs.

Segmentally, revenue for Semicon in 3Q2013 segment increased 12% from S\$21.9 million in 3Q2012 to S\$24.6 million. For the CEM segment, its 3Q2013 revenue decreased 27% to S\$0.7 million from S\$1.0 million in 3Q2012. On a sequential basis, Semicon revenue in 3Q2013 decreased 24% from that of 2Q2013 while revenue from CEM segment increased 49% over the same period.

Singapore contributed S\$12.2 million in 3Q2013 making it the largest market of UMS and this also represents a decline of 8% from S\$13.3 million in 3Q2012. This was mainly attributed to lower number of integrated system orders being fulfilled. For the same period, revenue from the US grew by 50% to S\$7.2 million in 3Q2013 from S\$4.8 million a year ago. Higher component sales accounted for the increase in these geographical markets.

For the nine months ended 30 September 2013 ("9M2013"), UMS' revenue decreased to S\$86.0 million from S\$91.6 million for the previous corresponding period ("9M2012"). Revenue from Semicon segment decreased 2% to S\$84.3 million in 9M2013. (9M2012: S\$86.4million). Revenue from CEM segment was S\$1.7 million in 9M2013 as compared to S\$5.2 million in 9M2012.

In 9M2013, UMS' revenue from Singapore decreased 17% from S\$60.3 million in 9M2012 to S\$50.0 million in 9M2013. Revenue from US increased 11% from S\$16.8 million in 9M2012 to S\$18.6 million in 9M2013 while revenue from Others improved 20% in 9M2013 from S\$14.5 million in 9M2012 to S\$17.5 million.

Profitability

In 3Q2013, UMS' gross material margin remained healthy at 53% as compared to 54% in 3Q2012. Depreciation expenses decreased 36% from S\$2.8 million in 3Q2012 to S\$1.8 million in 3Q2013 as some of the assets are fully depreciated. Other expenses increased 14% from S\$2.6 million in 3Q2012 to S\$3.0 million in 3Q2013. The main reason for the increase was due to higher machine and equipment repairs costs incurred during the quarter.

Other charges in 3Q2013 were reduced from S\$1.7 million a year ago to S\$0.4 million. This reduction included a lower exchange loss of S\$0.2 million (3Q2012: S\$0.8 million loss) arising from the depreciation in the US dollar, lower inventory provision as well as no provision for doubtful debts in 3Q2013.

As a result, UMS recorded a higher net profit of S\$4.8 million in 3Q2013, representing a 126% jump over S\$2.1 million in 3Q2012.

In 9M2013, UMS' gross material margin of 50% was comparable to that recorded in 9M2012. Personnel related costs (i.e. employee benefits expense) for 9M2013 decreased 3% from S\$9.4 million a year ago to S\$9.1 million. Depreciation expenses for 9M2013 decreased 27% to S\$5.9 million from S\$8.0 million in 9M2012 for reasons stated earlier.

Other expenses increased 7% from S\$8.3 million in 9M2012 to S\$8.9 million in 9M2013. Other credits /charges in 9M2013 was a loss of S\$3.4 million in 9M2012 as compared to a gain of S\$0.5 million in 9M2013. This was mainly due to exchange difference recorded during the period.

As a result of the above, UMS net profit increased 13% to S\$17.9 million in 9M2013, from S\$15.8 million in 9M2012.

Cashflow

Continuing UMS' good cash flow generation ability, the Group registered positive operating cash flow of S\$7.0 million and free cash flow of S\$6.3 million in 3Q2013, compared to S\$9.0 million and S\$8.1 million respectively in 3Q2012.

For the nine month year comparison, UMS generated positive operating cash flow of S\$21.1 million and free cash flow of S\$20.0 million in 9M2013, as compared to S\$23.6 million and S\$22.5 million respectively in 9M2012.

As of 30 September 2013, UMS has no debt and its net cash and cash equivalents remain healthy at S\$30.1 million as compared to that of S\$15.4 million as at 31 December 2013.

9 Where a forecast, or prospect statement has been previously disclosed to the shareholders, any variance between it and the actual results.

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the 2Q2013 results announcement made on 6 August 2013. Amongst others, the Group had commented that it expected a temporary window of lower spending by its products' end users in the current quarter as compared to the previous quarter.

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The lower sequential revenue reported in 3Q2013 is in line with the Group's expectation of the global semiconductor industry taking a "breather" for the period under review as previously announced in 2Q2013. However, going into the last quarter of 2013, the Group expects growth to resume. Similarly, the Group is witnessing stronger orders and increased activities in the last quarter of the year as demands from customers are picking up as compared to 3Q2013. Hence, it is optimistic that the last quarter of this year will be better than that of last year, setting the stage for an optimistic first quarter in 2014.

Sharing similar sentiments, a leading research institute, Garner's latest update, which was published on 19 September 2013, mentioned that global semiconductor equipment quarterly revenues are beginning to improve and positive movement in the book-to-bill ratio indicates that spending for equipment will pick up later in the remainder of 2013.

Given the above and barring unforeseen circumstances, UMS' Directors believe that the Group will remain profitable in FY2013.

Footnote:

Refer to <http://www.gartner.com/newsroom/id/2592316> for Gartner citation

11 Dividend

(a) Current Financial Period Reported

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

Name of Dividend	Proposed Interim Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable

(c) Date payable

20 December 2013.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 6 December 2013 , for the purpose of determining members' entitlements to the Third Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2013.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 5 December 2013 will be registered before entitlements to the Third Interim Dividend are determined. Members whose Securities Accounts with The Central Depository(Pte) Limited are credited with shares at 5.00 p.m. on 5 December 2013 will be entitled to the Third Interim Dividend.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

	Nine Months ended 30 September 2013
Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) S\$'000
Sure Achieve Enterprises Pte Ltd (Note 1) Consultancy Services charges	456
Kalf Engineering Pte Ltd (Note 2) Factory rental	48

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director. She was formerly the executive director/COO of the UMS Group and is the wife of the CEO, Mr. Andy Luong. She left the Company's employ on 6 March 2013 and continued as a consultant thereafter.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd during 9M2013 amounted to S\$456,000 which represented approximately 0.5% of the Group's latest audited net tangible assets as at 31 December 2012.

Note 2: Kalf Engineering Pte Ltd is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest. The factory rental arrangement ceased on 31 August 2013.

14 Negative confirmation pursuant to Rule 705 (5)

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 3Q2013 and period ended 30 September 2013 financial results to be false or misleading in any material respect.

On behalf of the Board

Luong Andy
Chief Executive Officer

Stanley Loh Meng Chong
Executive Director

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer
13 November 2013