UMS Holdings Limited
25 Changi North Rise
Changi North Industrial Estate
Singapore 498778
Tel: (65) 6543 2272
Fax: (65) 6543 0623

Company Registration No.: 200100340R

2Q2013 SEQUENTIAL GROWTH RESULTED IN NET PROFIT OF S$7.8 MILLION; UMS DECLARES 15TH CONSECUTIVE QUARTERLY DIVIDEND

Highlights

- **Continuation of semiconductor recovery led UMS' revenue to experience sequential growth of 18% from S$27.8 million in 1Q2013 to S$32.8 million in 2Q2013**
- **Although UMS revenue in 2Q2013 decreased 10% compared to a year ago, profitability improve as net profit in 2Q2013 edge up 3% from 2Q2012**
- **Proposed interim dividend of 1.00 Singapore cent for this quarter**

Financial Highlights:

S$ (million)	3 months 2Q2013 A	3 months 1Q2013 B	Change (A-B)/B	3 months 2Q2012 C	Change (A-C)/C	6 months 1H2013 D	6 months 1H2012 E	Change (D-E)/E
Revenue	**32.8**	**27.8**	**↑ 18%**	**36.6**	**↓ 10%**	**60.7**	**68.6**	**↓ 12%**
Profit before tax	**8.7**	**5.8**	**↑ 51%**	**8.7**	**–**	**14.5**	**15.5**	**↓ 7%**
Net profit	**7.8**	**5.2**	**↑ 49%**	**7.6**	**↑ 3%**	**13.1**	**13.7**	**↓ 4%**

SINGAPORE, 6 August 2013 ï SGX Mainboard-listed UMS Holdings Limited (ñUMSò or ñthe Groupò), a strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers, today announced its financial results for the three months ended 30 June 2013 ("2Q2013")

In 2Q2013, UMSô revenue declined 10% to S$32.8 million from S$36.6 million a year ago (ñ2Q2012ò). A more robust environment during 2Q2012 explained the higher volume of business experienced then. Thereafter, the global semiconductor industry went through a trough and signs of recovery were only experienced in the last quarter of FY2012. Similarly, UMS first experienced a recovery in business volume in the three months ended 31 March 2013 (ñ1Q2013ò) as the foundries resumed their capital expenditure spending, which were previously delayed. This recovery trend continued for UMS in 2Q2013 as evidenced by its 2Q2013 revenue growing sequentially by 18% from S$27.8 million in the preceding quarter of 1Q2013.

For the six months ended 30 June 2013 (ñ1H2013ò), UMS revenue decreased to S$60.7 million from S$68.6 million for the previous corresponding 6 months (ñ1H2012ò) mainly due to the above-mentioned factor of a much buoyant global environment a year ago.

Profitability

In 2Q2013, UMSô gross material margin remained healthy at 50% as compared to 49% in 2Q2012. Some key highlights in the expenses include depreciation expenses which decreased 24% from S$2.6 million in 2Q2012 to S$2.0 million in 2Q2013 as well as allowance for inventory obsolescence which decreased from S$1.1 million in 2Q2012 to S$0.1 million in 2Q2013.

UMS recorded a higher net profit of S$7.8 million in 2Q2013, representing a 3% improvement over S$7.6 million in 2Q2012.

In 1H2013, UMS gross material margin of 49% was comparable to that recorded in 1H2012 while its net profit dipped 4% to S$13.1 million in 1H2013, from S$13.7 million in 1H2012.

Strong Cash Generation Continues

In line with UMSô good cash flow generation ability, the Group registered positive operating cash flow of S$7.5 million and free cash flow of S$7.3 million in 2Q2013, compared to S$10.5 million and S$10.4 million respectively in 2Q2012.

For the half year comparison, UMS generated positive operating cash flow of S$14.1 million and free cash flow of S$13.7 million in 1H2013, as compared to S$14.6 million and S$14.5 million respectively in 1H2012.

As of 30 June 2013, despite settling all the Groupøs bank borrowings, UMS net cash and cash equivalents remain healthy at S$27.4 million as compared to that of S$15.4 million as at 31 December 2012. As a result, the Directors are pleased to propose a dividend of ONE (1) Singapore cent per share for this quarter, bringing the total dividend paid and proposed to-date for FY2013 to TWO (2) Singapore cents per share.

Outlook

Entering into the second half of 2013, the Group expects that the recovery of the global semiconductor equipment industry will most likely take a ñbreatherò in the short term, following two consecutive quarters of robust demand driven by the foundriesô investment programs. This ñbreatherò is expected to be short with foundries resuming their capital expenditure programs later in the year or early next year. As such, this temporary window of lower spending by the foundries will likely affect the Groupøs sequential growth (quarter on quarter) in the next three months, although the Group is cautiously confident that the recovery will resume its pace in the last quarter of 2013 as the end users planned their next phase of investments, setting the foundation for a better 2014.

A leading research institute, Gartner also shares the management's view. According to its latest report published on 20 June 2013, Gartner predicted that 2014 semiconductor capital spending will increase 14.2% from 2013, followed by 10.1% increase in 2015, driven by increasing demand for sophisticated consumer electronics.

While the Group is cautiously optimistic about the prospects of the last quarter of 2013, it is picking up pace to mitigate the short term fluctuations and cyclical nature of the semiconductor industry with cost management initiatives and improving operating efficiencies. For example, UMS will continue to accelerate its process of relocating its Singapore manufacturing processes to Penang in order to reduce operating costs to increase its competitiveness and profitability as well as to alleviate the labour shortage in Singapore.

Commenting on its latest financial performance, Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited remarked "***Our latest set of results is within the management's expectations. Following 2 quarters of increased capex spending by the wafer fabs, a short term breather is expected. Nonetheless, we believe demand for mobile devices will drive the Group's profitability for the long term."***

#End of Release#

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**
BY CAPITAL ACCESS COMMUNICATIONS PTE LTD:

Edwin Lee
Email: edwinlee@capitalaccess.com.sg
Mobile: +65 9660 7361

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.