



UMS Holdings Limited
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UMS RECORDS NET PROFIT OF S\$7.5 MILLION IN 1Q2015 AND CONTINUES REGULAR QUARTERLY DIVIDEND OF S\$0.01 PER SHARE

Highlights

- Sequentially, revenue increased 24% from S\$22.1 million in 4Q2014 to S\$27.5 million on the back of improving business sentiments
- Net profits increased by 105% sequentially in line with revenue improvement

Financial Highlights:

S\$ (million)	3 months 1Q2015 A	3 months 1Q2014 B	Change (A-B)/B	3 months 4Q2014 C	Change (A-C)/C
Revenue	27.5	34.3	↓ 20%	22.1	↑ 25%
Profit before tax	8.4	9.6	↓ 12%	4.0	↑ 109%
Net profit	7.5	8.6	↓ 12%	3.7	↑ 105%
Free cash flow generated	6.4	10.3	↓ 38%	9.0	↓ 29%

SINGAPORE, 8 May 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 ended 31 March 2015 (“1Q2015”).

For 1Q2015, UMS’ revenue stood at S\$27.5 million, a 20% decline from S\$34.3 million in the corresponding quarter a year ago (“1Q2014”).

Historically, the performance of UMS would be stronger in the first half of the year. However, the Group’s major customer had noted a variation in demand pattern, expecting business activities to pick up in the second half of FY2015 instead of the usual first half.

Sequentially, revenue grew 25% from S\$22.1 million in the preceding quarter (“4Q2014”) as business environment continued to improve.

Profitability

The Group’s gross material margin had climbed 4 percentage points, from 53% in 1Q2014 to 57% in 1Q2015. The margin growth was largely attributable to the appreciation of the US dollar.

During 1Q2015, employee’s benefits expense remained relatively flat at S\$3.3 million while depreciation expense increased 10% to S\$2.0 million due to additional machinery and equipment.

Other expenses fell to S\$2.7 million in 1Q2015, representing a 21% decline from S\$3.4 million in 1Q2014 and this was mainly due to lower utilities, repair and maintenance costs. The appreciation of US dollar during 1Q2015 had resulted in foreign exchange gain of S\$0.8 million in Other credits/ charges.

As a result of the above, the net profit for 1Q2015 had declined 12% to S\$7.5 million, compared to S\$8.6 million in 1Q2014. Comparing on a quarter-on-quarter basis, UMS's net profit had grown 105% from S\$3.7 million in 4Q2014.

Strong Cash Generation Ability

For the quarter under review, UMS had again demonstrated its robust cash generation capabilities. UMS registered an operating cash flow of S\$6.6 million in 1Q2015, while free cash flow for the same period stood at S\$6.4 million.

The Group had no bank borrowings and its cash and cash equivalents stood at S\$40.8 million as at 31 March 2015. In line with the dividend policy of UMS, the Directors are pleased to propose a dividend of ONE (1) Singapore cent per share for this quarter.

Outlook

SEMI, a leading global semiconductor trade association, is optimistic about the outlook for semiconductor equipment, with projections of the equipment market showing another year of growth in 2015.¹ Moreover, according to Gartner, capital equipment spending is expected to increase 5.6 percent to US\$41.1 billion in 2015.² Accordingly, the Group expects business activities to remain stable in the coming quarters.

UMS will continue to remain vigilant and monitor any shifts in market trends in order to better manage its operations. Barring any unforeseen circumstances, the Directors is confident that 2015 will continue to be a profitable year for the Group

“We are pleased to observe that the business environment has showed signs of improvement following a weak fourth quarter last year. Going forward, we remain confident of the business outlook for the rest of the year, especially in the second half. While we continue to seek other avenues of growth, we will continue to return more value to our shareholders via dividends.” remarked Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited on the Group’s outlook.

#End of Release#

Footnote

¹ refer to <http://www.semi.org/en/node/55481>

² refer to <http://www.gartner.com/newsroom/id/2961017>

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.