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UMS DELIVERS 14% NET PROFIT GROWTH IN 2Q2015 AND CONTINUES DIVIDEND TRADITION

Highlights

- **Revenue increased 8% from S$28.7 million in 2Q2014 to S$31.0 million in 2Q2015 while growing 13% sequentially from S$27.5 million in 1Q2015**
- **Net profit after tax increased 14% from S$7.2 million in 2Q2014 to S$8.3 million in 2Q2015 and the Board declared interim dividend of S$0.01 per share**
- **UMS registered a free cash flow of S$12.6 million in 2Q2015 and a healthy cash and cash equivalents of S$39.6 million as at 30 June 2015**

Financial Highlights:

S$ (million)	**3 months 2Q2015** A	**3 months 2Q2014** B	**Change** (A-B)/B	**6 months FY2015** C	**6 months FY2014** D	**Change** (C-D)/D
Revenue	**31.0**	**28.7**	**↑ 8%**	**58.5**	**63.0**	**↓ 7%**
Profit before tax	**9.3**	**8.3**	**↑ 13%**	**17.7**	**17.9**	**↓ 1%**
Net profit	**8.3**	**7.2**	**↑ 14%**	**15.8**	**15.8**	**–**
Free cash flow	**12.6**	**3.9**	**↑ 225%**	**19.0**	**14.3**	**↑ 33%**

SINGAPORE, 3 August 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 six months ended 30 June 2015 ("2Q2015" and "1H2015" respectively).

For the quarter under review, the Group's revenue increased 8% from S$28.7 million for the three months ended 30 June 2014 ("2Q2014") to S$31.0 million. At the same time, UMS' revenue grew 13% on a sequential basis from the S$27.5 million in the preceding quarter ("1Q2015").

The previous announcement in 1Q2015 had highlighted a unique demand trend in 2015 with higher business volume expected in the second half of the year. However, the Group experienced a stronger 2Q2015 as a result of business activities picking up earlier than expected.

Revenue for 1H2015 had declined 7% to S$58.5 million from S$63.0 million a year ago ("1H2014") as a result of lower business activities during 1Q2015.

Profitability

The Group's gross material margin was stable at 57% in 2Q 2015 when compared to 2Q2014.

Employee benefits expense increased 20% to S$3.5 million in 2Q2015 as there was excess bonus provision written back in 2Q2014. Depreciation expense had decreased 2% to S$2.0 million in the same period mainly due to some fixed assets being fully depreciated in 2Q2015. Other expenses remained flat at S$2.9 million, while Other credits in 2Q2015 included an S$0.2 million foreign exchange loss from the depreciation of USD (exchange loss in 2014: S$0.4 million).

These factors contributed to the Group's net profit after tax of S$8.3 million, a 14% increment from S$7.2 million a year ago, making 2Q2015 the best performing quarter for UMS over the past 12 months.

In 1H2015, UMS' gross material margin increased 2 percentage points from 55% to 57%. Employee benefits expense rose 10% to S$6.8 million in 1H2015 from S$6.2 million a year ago.

As a result of the above mentioned, UMS' net profit after tax remained flat at S$15.8 million for 1H2015.

Strong Cash Generation Ability

UMS continues to showcase its good cash generation ability and recorded an operating cash flow of S$13.0 million in 2Q2015, a 140% growth from S$5.4 million in 2Q2014, while free cash flow increased 225% from S$3.9 million in 2Q2014 to S$12.6 million.

For 1H2015, the Group achieved operating cash flow of S$19.6 million with free cash flow of S$19.0 million.

As of 30 June 2015, UMS's cash and cash equivalents stood at a healthy level of S$39.6 million with no bank borrowings, despite dividend payment of S$12.9 million during the period. Additionally, the Board of Directors ("Board") are also pleased to declare an interim dividend of ONE (1) Singapore cent per share to reward its shareholders for their strong support.

Outlook

The Group's major customer had previously stated that the current year's trend is unique with more business activities in the second half of the year. Similarly, SEMI, a leading global semiconductor trade association, has expected semiconductor equipment spending to increase 11 percent in 2015 and another 5 percent in 2016. For the first time in many years, SEMI has forecast that equipment spending could grow every year for three years in a row: 2014, 2015 and 2016[1]. Gartner on the other hand, recently revised their 2015 semiconductor equipment spending forecast to be flat versus 2014[2]. The Group is currently seeing stable orders from its major customer and will continue to remain vigilant and monitor any shift in market trends in order to better manage its operations.

The Group has anticipated the increasingly difficult operating environment in Singapore years back, and had progressively relocate most of its manufacturing activities to its Penang plant. This relocation is expected to complete in the near future. The Malaysian facility, together with the weakening Ringgit, allows the Group to enjoy lower operational costs which put it in a good position to maintain its low cost competitive edge.

Barring unforeseen circumstances, the board of directors is confident that 2015 will continue to be a profitable year for the Group.

"This quarter had been particularly rewarding for the Group, with increased business activities and significant profit growth. With reference to our major customer's view, we look forward to a possibly stronger second half of this year vis-à-vis the second half of last year, as we continue to pursue maximum returns for our shareholders." remarked Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited on the Group's latest financial performance.

#End of Release#

[1]*Refer to http://www.semi.org/node/56386*
[2]*Refer to http://electronicspurchasingstrategies.com/2015/07/20/gartner-reduces-chip-capex-forecast/*

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.