



UMS Holdings Limited
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UMS REPORTS 21% INCREASE IN NET PROFIT TO S\$15.8 MILLION IN 1H2014; DECLARES INTERIM DIVIDEND OF S\$0.01 PER SHARE

Highlights

- 1H2014 revenue increased by 4% to S\$63.0 million from S\$60.7 million a year ago.
- The Group continued to demonstrate good cash generation ability with healthy net cash and cash equivalents of S\$31.1 million as at 30 June 2014 after dividend payment of S\$12.0 million in 1H2014.
- UMS maintain quarterly dividend of S\$0.01 per share after the 1 for 4 bonus share issue during 2Q14.

Financial Highlights:

| S\$ (million) | 3 months 2Q2014 A | 3 months 2Q2013 B | Change (A-B)/B | 6 months 1H2014 D | 6 months 1H2013 E | Change (D-E)/E |
|----------------------|-------------------------|-------------------------|-------------------|-------------------------|-------------------------|-------------------|
| Revenue | 28.7 | 32.8 | ↓ 13% | 63.0 | 60.7 | ↑ 4% |
| Profit before tax | 8.3 | 8.7 | ↓ 5% | 17.9 | 14.5 | ↑24% |
| Net profit | 7.2 | 7.8 | ↓ 8% | 15.8 | 13.1 | ↑21% |

SINGAPORE, 6 August 2014 – 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 a healthy set of financial results for the six months ended 30 June 2014 (“1H2014”).

During 1H2014, UMS registered a 4% increase in revenue to S\$63.0 million as compared to S\$60.7 million in 1H2013. This resulted from the higher semiconductor component sales. Revenue from the 3 months ended 30 June 2014 (“2Q2014”) stood at S\$28.7 million.

Profitability

UMS had seen a healthy improvement of gross material margin from 49% in 1H2013 to 55% in 1H2014. This was a result of higher component sales which enhanced the profitability overall product mix.

Employee benefits expense was flat at S\$6.2 million for 1H2014 (1H2013: S\$6.2 million). However this include a write back of bonus provision in respect of previous year. Depreciation expenses reduced 6% to S\$3.8 million in 1H2014. Due to higher expenses associated with maintenance of machinery and equipment during 1H2014, Other expenses increased 5% to S\$6.3 million.

As a result, UMS had witnessed a 21% increase in net profit after tax from S\$13.1 million to S\$15.8 million in 1H2014.

For the quarter under review, UMS’ gross material margin experienced a growth from 50% in 2Q2013 to 57% in 2Q2014. Personnel related cost was reduced to S\$2.9 million mainly due to writing back excessive bonus provisions.

This resulted in a slight decrease in net profit after tax to S\$7.2 million for 2Q2014 from S\$7.8 million in 2Q2013.

Strong Cash Generation Ability

UMS continued to demonstrate good cash generation ability and reported a positive net cash from operating activities of S\$18.4 million for 1H2014, a 30% increase from S\$14.1 million in 1H2013. The free cash flow generated in 1H2014 stood at S\$14.2 million, a 4% increase from the prior year.

As of 30 June 2014, after the dividend payment of S\$12.0 million, net cash and cash equivalents remained healthy at S\$31.1 million. UMS remained committed to rewarding its shareholders and declared quarterly dividend of ONE (1) Singapore cent per share following the 1 for 4 bonus share in 2Q2014.

Outlook

In the upcoming quarter, UMS is entering a period where demand for its goods are typically at the lowest. However, the Group is optimistic that demands should pick up towards the last quarter of 2014. UMS is positive of its profitability for the rest of the FY2014.

According to SEMI, a leading global semiconductor trade association, predicts that 2014 looks to be a year for spending growth as the Year-to-date equipment billings are on the right track for growth, with 2014 billings through April approaching 30 percent year-over-year growth.¹ In a separate report, SEMI also forecasted that after two years of decline, fab equipment spending for new Front End facilities in 2014 is expected to increase 24 percent in 2014 to US\$35.7 billion.²

Similarly, Gartner, a worldwide leading information technology research and advisory company, stated that worldwide semiconductor capital equipment spending is projected to total \$37.5 billion in 2014, an increase of 12.2 percent from 2013 spending of \$33.5 billion. Momentum from exceptionally strong fourth-quarter 2013 sales is carried forward into the first quarter, then is expected to bounce around a flat trend line through the remainder of 2014.³

Commenting on its latest financial performance, Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited remarked “***The latest results is within the Group’s expectation of a robust first half and we remain committed in rewarding our shareholders through regular dividend payout. Going forward, we will continue to do our best and deliver good performance in the second half of FY2014.***”

#End of Release#

¹Refer to <http://www.semi.org/en/node/50311> for SEMI citation

²Refer to <http://www.semi.org/node/50086>

³Refer to <http://www.gartner.com/newsroom/id/2717917>

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.