



UMS Holdings Limited
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UMS CONTINUES ROBUST MOMENTUM IN 1Q2014 WITH 63% NET PROFIT INCREASE AND 63% JUMP IN FREE CASH FLOW GENERATED; PROPOSED INTERIM DIVIDEND OF S\$0.01 PER SHARE

Highlights

- Net profit and cash flow for 1Q2014 continues strong year-on-year momentum on the back of growth in both revenue and gross profit
- Revenue remained stable quarter on quarter while free cash flow generated grew 78%
- Proposed ONE (1) Singapore cent interim dividend.

Financial Highlights:

S\$ (million)	3 months 1Q2014 A	3 months 1Q2013 B	Change (A-B)/B	3 months 4Q2013 C	Change (A-C)/C
Revenue	34.3	27.8	↑ 23%	34.5	↓ 0.4%
Profit before tax	9.6	5.8	↑ 67%	12.8	↓ 25%
Net profit	8.6	5.3	↑ 63%	11.0	↓ 22%
Free Cash Flow generated	10.3	6.4	↑ 63%	5.8	↑ 77%

SINGAPORE, 8 May 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 another set of positive financial results for the three months ended 31 March 2014 (“1Q2014”).

UMS started 2014 by registering S\$34.3 million in revenue for 1Q2014, a 23% improvement from S\$27.8 million a year ago (“1Q2013”), as a result of higher semiconductor component sales during 1Q2014. Compared to the preceding quarter (“4Q2013”), UMS 1Q2014 revenue remained stable at the S\$34 million level as the strong customer demand in the global semiconductor equipment market continues into this quarter.

For the quarter under review, UMS’s gross material margin increased from 49% in 1Q2013 to 53% in 1Q2014 and this was mainly due to the improved product mix with in higher component sales. In order to achieve higher production output for 1Q2014, higher headcount and overtime costs were incurred, resulting in an 10% increase in employee benefit expenses of S\$3.3 million in 1Q2014 as compared to S\$3.0 million in 1Q2013.

For the same period, depreciation expenses decreased by 13% to S\$1.8 million in 1Q2014 as compared to S\$2.1 million in 1Q2013, as some assets have been fully depreciated. Other expenses increased to S\$3.4 million in 1Q2014, a 21% increase from S\$2.8 million in 1Q2013. This was mainly attributed to higher machine /equipment maintenance costs.

As a result, UMS recorded net profit of S\$8.6 million in 1Q2014, representing an increase of 63% from S\$5.3 million in 1Q2013.

Strong Cash Generation Ability

In 1Q2014, UMS once again demonstrated strong cash generation capability by registering a positive operating cash flow of S\$13.0 million and free cash flow of S\$10.3 million, compared to S\$6.7 million and S\$6.4 million respectively in 1Q2013.

As of 31 March 2014, UMS has no debt and its net cash and cash equivalents remain healthy at S\$39.5 million. As a result, the Directors are pleased to propose a dividend of ONE (1) Singapore cent per share for this quarter.

Commenting on its latest financial performance, Mr Andy Luong, Chief Executive Officer, UMS Holdings Limited remarked ***“We are delighted with the robust performance this quarter, both in terms of profitability and cash generation. Notably, our component sales did very well as we have been steadily stepping up efforts to improve machine utilization and productivity.”***

Outlook

Following the good set of financial performance registered in 1Q2014, the Group expects its core front-end semiconductor equipment business to remain healthy in the second quarter of 2014.

Moving into the second half of FY2014, Gartner, predicts that worldwide combined shipment of devices (PCs, tablets, ultra mobiles and mobile phones) are expected to reach 2.5 billion units, an 6.9 percent increase from 2013¹ (published on March 2014). This may have a positive impact on semiconductor equipment spending by the wafer fabs and foundries.

Nonetheless, despite positive industry level forecasts, the Group remains alert to any possible shifts in demand pattern, due to the unique nature of the industry.

The Group will continue to pursue cost reduction and improving operating efficiencies, especially in its Penang operation. Barring any unforeseen circumstances, the Group will remain profitable in FY2014.

¹ Refer to <http://www.gartner.com/newsroom/id/2692318>

#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**
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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.