

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**First Quarter Financial Statement And Dividend Announcement**

**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1 (a) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2015**

|   | <b>Group</b>          |                  |               |
|---|-----------------------|------------------|---------------|
|   | <b>3 Months Ended</b> |                  |               |
|   | <b>31-Mar-15</b>      | <b>31-Mar-14</b> | <b>Change</b> |
|   | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>      |
| Revenue   | 27,467                | 34,309           | -20%          |
| Net finance income (Note (a))                               | 14                    | 14               | 0%            |
| Changes in inventories                                      | 2,011                 | (178)            | N.M           |
| Raw material purchases and subcontractor charges            | (13,898)              | (16,061)         | -13%          |
| Employee benefits expense                                   | (3,344)               | (3,313)          | 1%            |
| Depreciation expense  | (1,990)               | (1,817)          | 10%           |
| Other expenses (Note (b))                                   | (2,678)               | (3,374)          | -21%          |
| Other credits (Note (c))                                    | 832                   | 34               | 2347%         |
| <b>Profit before income tax</b>                             | <b>8,414</b>          | <b>9,614</b>     | <b>-12%</b>   |
| Income tax expense (Note (d))                               | (873)                 | (1,056)          | -17%          |
| <b>Net profit for the period from continuing operations</b> | <b>7,541</b>          | <b>8,558</b>     | <b>-12%</b>   |
| <b>Attributable to:</b>                                     |                       |                  |               |
| Equity holders of the Company                               | 7,541                 | 8,558            | -12%          |
| Minority interests  | -                     | -                | N.M           |
|   | <b>7,541</b>          | <b>8,558</b>     | <b>-12%</b>   |

N.M - Not meaningful

## NOTES TO INCOME STATEMENT

### Note (a) Net finance income

|                    | Group          |           |        |
|--------------------|----------------|-----------|--------|
|                    | 3 Months Ended |           |        |
|                    | 31-Mar-15      | 31-Mar-14 | Change |
|                    | S\$'000        | S\$'000   | %      |
| Interest income    | 14             | 14        | 0%     |
| Interest expense   | -              | -         | N.M    |
| Net finance income | 14             | 14        | 0%     |

### Note (b) Other expenses

|   | Group          |           |        |
|---|----------------|-----------|--------|
|   | 3 Months Ended |           |        |
|   | 31-Mar-15      | 31-Mar-14 | Change |
|   | S\$'000        | S\$'000   | %      |
| Legal and professional fees (Note (i))    | (295)          | (328)     | -10%   |
| Rental expense (includes leasing of land) | (415)          | (402)     | 3%     |
| Utilities (Note (ii))                     | (728)          | (1,001)   | -27%   |
| Freight charges                           | (132)          | (184)     | -28%   |
| Insurance                                 | (168)          | (111)     | 51%    |
| Upkeep of properties and equipment        | (27)           | (70)      | -61%   |
| Upkeep of machinery (Note (iii))          | (454)          | (778)     | -42%   |
| Others                                    | (459)          | (500)     | -8%    |
|   | (2,678)        | (3,374)   | -21%   |

Note 1 (a)(b)(i) – Included in legal and professional fees is an amount payable to Sure Achieve Enterprises Pte Ltd. Refer to note 13.

Note 1 (a)(b)(ii) – The decrease in utilities by S\$0.3M was mainly due to lower electricity tariff rates as compared to last corresponding period.

Note 1 (a)(b)(iii) – The decrease was mainly due to lower machinery and equipment maintenance carried out during the period.

**Note (c) Other credits**

|  | <b>Group</b>          |                  |               |
|--|-----------------------|------------------|---------------|
|  | <b>3 Months Ended</b> |                  |               |
|  | <b>31-Mar-15</b>      | <b>31-Mar-14</b> | <b>Change</b> |
|  | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>      |
| Foreign exchange gains (Note (i))                    | (830)                 | (145)            | 472%          |
| Gain on disposal of property, plant and equipment    | -                     | 39               | -100%         |
| Property, plant & equipment written off              | 2                     | -                | N.M           |
| Inventories written off                              | 24                    | -                | N.M           |
| Write back of allowance for inventories obsolescence | -                     | 93               | -100%         |
| Others   | (28)                  | 47               | N.M           |
|  | <b>(832)</b>          | <b>34</b>        | <b>N.M</b>    |

Note 1(a)(c)(i) - The exchange gain was due to the appreciation of the US dollar during the period.

**Note (d) Income tax**

|                | <b>Group</b>          |                  |               |
|----------------|-----------------------|------------------|---------------|
|                | <b>3 Months Ended</b> |                  |               |
|                | <b>31-Mar-15</b>      | <b>31-Mar-14</b> | <b>Change</b> |
|                | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>      |
| Income tax:    |                       |                  |               |
| - Current      | (873)                 | (1,056)          | -17%          |
| - Deferred tax | -                     | -                | N.M           |
|                | <b>(873)</b>          | <b>(1,056)</b>   | <b>-17%</b>   |

Note 1(a)(c)(i) - The decrease in current income tax was due to lower profits during the period.

1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

|   | Group                  |                        | Company                |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | 31 Mar 2015<br>S\$'000 | 31 Dec 2014<br>S\$'000 | 31 Mar 2015<br>S\$'000 | 31 Dec 2014<br>S\$'000 |
| <b>ASSETS</b>   |                        |                        |                        |                        |
| <b>Current Assets</b>                                   |                        |                        |                        |                        |
| Cash and bank balances (Note (ii))                      | 40,801                 | 33,792                 | 346                    | 357                    |
| Trade receivables and other current assets (Note (iii)) | 17,598                 | 12,850                 | 3,622                  | 3,740                  |
| Inventories (Note (iv))                                 | 35,337                 | 33,327                 | -                      | -                      |
| <b>Total Current Assets</b>                             | <b>93,736</b>          | <b>79,969</b>          | <b>3,968</b>           | <b>4,097</b>           |
| <b>Non-Current Assets</b>                               |                        |                        |                        |                        |
| Investment in subsidiaries (Note (i))                   | -                      | -                      | 192,415                | 192,415                |
| Property, plant and equipment                           | 39,375                 | 41,725                 | -                      | -                      |
| Investment property                                     | 2,574                  | 2,629                  | -                      | -                      |
| Goodwill  | 81,683                 | 81,683                 | -                      | -                      |
| <b>Total Non-Current Assets</b>                         | <b>123,632</b>         | <b>126,037</b>         | <b>192,415</b>         | <b>192,415</b>         |
| <b>Total Assets</b>                                     | <b>217,368</b>         | <b>206,006</b>         | <b>196,383</b>         | <b>196,512</b>         |
| <b>LIABILITIES AND EQUITY</b>                           |                        |                        |                        |                        |
| <b>Current Liabilities</b>                              |                        |                        |                        |                        |
| Trade and other payables (Note (v))                     | 14,522                 | 11,061                 | 7,528                  | 7,043                  |
| Income tax payable                                      | 3,207                  | 2,357                  | -                      | -                      |
| <b>Total Current Liabilities</b>                        | <b>17,729</b>          | <b>13,418</b>          | <b>7,528</b>           | <b>7,043</b>           |
| <b>Non Current Liabilities</b>                          |                        |                        |                        |                        |
| Deferred tax liabilities                                | 1,337                  | 1,337                  | -                      | -                      |
| Long-term provision *                                   | 453                    | 453                    | -                      | -                      |
| <b>Total Non-Current Liabilities</b>                    | <b>1,790</b>           | <b>1,790</b>           | <b>-</b>               | <b>-</b>               |
| <b>Total Liabilities</b>                                | <b>19,519</b>          | <b>15,208</b>          | <b>7,528</b>           | <b>7,043</b>           |
| <b>Capital and Reserves</b>                             |                        |                        |                        |                        |
| Share Capital   | 136,623                | 136,623                | 136,623                | 136,623                |
| Reserves  | (4,753)                | (4,263)                | -                      | -                      |
| Retained earnings                                       | 65,979                 | 58,438                 | 52,232                 | 52,846                 |
| <b>Total Equity</b>                                     | <b>197,849</b>         | <b>190,798</b>         | <b>188,855</b>         | <b>189,469</b>         |
| <b>Total Liabilities and Equity</b>                     | <b>217,368</b>         | <b>206,006</b>         | <b>196,383</b>         | <b>196,512</b>         |

\* Provision for reinstatement of leased premises.

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 31 March 2015 are as follows:

| Name  | Effective percentage of equity held by the group |             | Company's cost of investment |             |
|---|--|-------------|------------------------------|-------------|
|   | 31-Mar-2015                                      | 31-Dec-2014 | 31-Mar-2015                  | 31-Dec-2014 |
|   | %  | %           | S\$'000                      | S\$'000     |
| <u>Held by the Company</u>                                    |  |             |                              |             |
| UMS Systems Pte Ltd<br>(Singapore)                            | 100  | 100         | 9,561                        | 9,561       |
| UMS International Pte Ltd<br>(Singapore)                      | 100  | 100         | 800                          | 800         |
| UMS Pte Ltd<br>(Singapore)                                    | 100  | 100         | 127,081                      | 127,081     |
| UMS Aerospace Pte Ltd<br>(Singapore)                          | 100  | 100         | 20,000                       | 20,000      |
| Integrated Manufacturing Technologies Pte Ltd<br>(Singapore)  | 100  | 100         | 19,803                       | 19,803      |
| Integrated Manufacturing Technologies Inc.<br>(United States) | 100  | 100         | 8,196                        | 8,196       |
| Ultimate Machining Solutions (M) Sdn. Bhd.<br>(Malaysia)      | 100  | 100         | 30,772                       | 30,772      |
|   |  |             |                              |             |
| Unquoted equity shares, at cost                               |  |             | 216,213                      | 216,213     |
| Less: Provision for impairment                                |  |             | (23,798)                     | (23,798)    |
|   |  |             |                              |             |
|   |  |             | 192,415                      | 192,415     |
| <u>Held through UMS International Pte Ltd</u>                 |  |             |                              |             |
| Ultimate Manufacturing Solutions (M) Sdn. Bhd<br>(Malaysia)   | 100  | 100         |                              |             |
| <u>Held through UMS Pte Ltd</u>                               |  |             |                              |             |
| UMS Solutions Pte Ltd<br>(Singapore)                          | 100  | 100         |                              |             |

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$7.0 million was mainly due to net cash generated from operation activities during the period.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$4.7 million mainly due to the increase in sales during the period as compared to 4Q2014.

Note 1(b)(i)(iv) – The increase in inventories by S\$2.0 million was due to higher purchases to meet customer orders in the coming quarter.

Note 1(b)(i)(v) – The increase in trade and other payables by S\$3.5 million was mainly due to higher purchases to meet customer orders.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

Not applicable.

- 1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

|   | <b>Group</b>          |                  |
|---|-----------------------|------------------|
|   | <b>3 Months Ended</b> |                  |
|   | <b>31-Mar-15</b>      | <b>31-Mar-14</b> |
|   | <b>S\$'000</b>        | <b>S\$'000</b>   |
| <b>Cash flows from operating activities</b>                     |                       |                  |
| Profit before income tax  | 8,414                 | 9,614            |
| Adjustments for:  |                       |                  |
| Depreciation expense  | 1,990                 | 1,817            |
| Inventories written off   | 24                    | -                |
| Write back of allowance for inventories obsolescence            | -                     | (93)             |
| Property, plant and equipment written off                       | 2                     | -                |
| Gain on disposal of property, plant and equipment               | -                     | (39)             |
| Interest income   | (14)                  | (14)             |
| Unrealised foreign exchange (gain)/ loss                        | (623)                 | 322              |
| <b>Operating cash flows before working capital changes</b>      | <b>9,793</b>          | <b>11,607</b>    |
| Changes in working capital:                                     |                       |                  |
| Trade receivables and other current assets                      | (4,477)               | 2,567            |
| Inventories   | (2,070)               | 1,677            |
| Trade and other payables  | 3,660                 | (2,489)          |
| <b>Cash generated from operations</b>                           | <b>6,906</b>          | <b>13,362</b>    |
| Income tax paid   | (295)                 | (352)            |
| <b>Net cash generated from operating activities</b>             | <b>6,611</b>          | <b>13,010</b>    |
| <b>Cash flows from investing activities</b>                     |                       |                  |
| Proceeds from disposal of property, plant and equipment         | -                     | 39               |
| Purchase of property, plant and equipment                       | (200)                 | (2,667)          |
| Interest received   | 14                    | 14               |
| <b>Net cash used in investing activities</b>                    | <b>(186)</b>          | <b>(2,614)</b>   |
| <b>Cash flows from financing activities</b>                     |                       |                  |
| Withdrawal / (placement) of fixed deposit - restricted          | 247                   | (2)              |
| <b>Net cash generated from / (used in) financing activities</b> | <b>247</b>            | <b>(2)</b>       |
| Net effect of exchange rate changes                             | 586                   | (121)            |
| Net increase in cash and cash equivalents                       | 7,258                 | 10,273           |
| Cash and cash equivalents at beginning of the period            | 33,543                | 28,990           |
| <b>Cash and cash equivalents at end of the period</b>           | <b>40,801</b>         | <b>39,263</b>    |
| Fixed deposit - restricted in use                               | -                     | 248              |
| <b>Cash and cash equivalents in the Balance Sheet</b>           | <b>40,801</b>         | <b>39,511</b>    |

- 1(d) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

|  | <b>Group</b>          |                  |               |
|--|-----------------------|------------------|---------------|
|  | <b>3 Months Ended</b> |                  |               |
|  | <b>31-Mar-15</b>      | <b>31-Mar-14</b> | <b>Change</b> |
|  | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>      |
| <b>Net Profit for the period</b>                                     | 7,541                 | 8,558            | -12%          |
| Other comprehensive income, net of income tax:                       |                       |                  |               |
| <i>Items that may be classified subsequently to profit and loss:</i> |                       |                  |               |
| Exchange differences on translation of foreign operations            | (490)                 | 49               | N.M           |
| <b>Total comprehensive income for the period</b>                     | <b>7,051</b>          | <b>8,607</b>     | <b>-18%</b>   |
| <b>Attributable to:</b>  |                       |                  |               |
| Equity holders of the Company  | 7,051                 | 8,607            | -18%          |
| Minority interests   | -                     | -                | N.M           |

- 1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

| <b>Group</b>   | <b>Share<br/>Capital<br/>S\$'000</b> | <b>Foreign<br/>Exchange<br/>Translation<br/>Reserve<br/>S\$'000</b> | <b>Retained<br/>Earnings<br/>S\$'000</b> | <b>Total equity<br/>attributable to<br/>equity of holders<br/>of the Company<br/>S\$'000</b> |
|--|--------------------------------------|---|--|--|
| <b>Balance at 1 January 2014</b>   | 136,623                              | (3,907)   | 58,415                                   | 191,131  |
| <b>Changes in equity for first quarter</b>   |                                      |   |  |  |
| Net profit for the period  | -                                    | -   | 8,558                                    | 8,558  |
| Other comprehensive income for the period-<br>Exchange differences on translation of foreign<br>operations | -                                    | 49  | -  | 49   |
| <b>Total comprehensive income for the quarter</b>  | -                                    | 49  | 8,558                                    | 8,607  |
| <b>Balance at 31 March 2014</b>  | 136,623                              | (3,858)   | 66,973                                   | 199,738  |

| <b>Group</b>   | <b>Share<br/>Capital<br/>S\$'000</b> | <b>Foreign<br/>Exchange<br/>Translation<br/>Reserve<br/>S\$'000</b> | <b>Retained<br/>Earnings<br/>S\$'000</b> | <b>Total equity<br/>attributable to<br/>equity of holders<br/>of the Company<br/>S\$'000</b> |
|--|--------------------------------------|---|--|--|
| <b>Balance at 1 January 2015</b>   | 136,623                              | (4,263)   | 58,438                                   | 190,798  |
| <b>Changes in equity for first quarter</b>   |                                      |   |  |  |
| Net profit for the period  | -                                    | -   | 7,541                                    | 7,541  |
| Other comprehensive income for the period-<br>Exchange differences on translation of foreign<br>operations | -                                    | (490)   | -  | (490)  |
| <b>Total comprehensive income for the quarter</b>  | -                                    | (490)   | 7,541                                    | 7,051  |
| <b>Balance at 31 March 2015</b>  | 136,623                              | (4,753)   | 65,979                                   | 197,849  |



|   | Share Capital<br>S\$'000 | Capital<br>Reserve<br>S\$'000 | Retained<br>Earnings<br>S\$'000 | Total equity<br>attributable to<br>equity of holders<br>of the Company<br>S\$'000 |
|---|--------------------------|-------------------------------|---------------------------------|---|
| <b>Company</b>                                      |                          |                               |                                 |   |
| <b>Balance at 1 January 2014</b>                    | 136,623                  | -                             | 58,983                          | 195,606   |
| <b>Changes in equity for first quarter</b>          |                          |                               |                                 |   |
| Net loss for the period                             | -                        | -                             | (705)                           | (705)   |
| <b>Total comprehensive expenses for the quarter</b> | -                        | -                             | (705)                           | (705)   |
| <b>Balance at 31 March 2014</b>                     | 136,623                  | -                             | 58,278                          | 194,901   |

|   | Share Capital<br>S\$'000 | Capital<br>Reserve<br>S\$'000 | Retained<br>Earnings<br>S\$'000 | Total equity<br>attributable to<br>equity of holders<br>of the Company<br>S\$'000 |
|---|--------------------------|-------------------------------|---------------------------------|---|
| <b>Company</b>                                      |                          |                               |                                 |   |
| <b>Balance at 1 January 2015</b>                    | 136,623                  | -                             | 52,846                          | 189,469   |
| <b>Changes in equity for first quarter</b>          |                          |                               |                                 |   |
| Net loss for the period                             | -                        | -                             | (614)                           | (614)   |
| <b>Total comprehensive expenses for the quarter</b> | -                        | -                             | (614)                           | (614)   |
| <b>Balance at 31 March 2015</b>                     | 136,623                  | -                             | 52,232                          | 188,855   |

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2014 to 31 March 2015.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2015 was 429,143,947 (31 December 2014: 429,143,947).

- 1(e)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

There was no treasury share as at 31 December 2014 and 31 March 2015.

**2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our external auditors.

**3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).**

Not applicable.

**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2014.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of the change.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning 1 January 2015.

The adoption of the new/ revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

**6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

| <b>Group</b>          |                                 |
|-----------------------|---------------------------------|
| <b>3 Months Ended</b> |                                 |
| <b>31-Mar-15</b>      | <b>31-Mar-14<br/>(Restated)</b> |

Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-

|  |             |             |
|--|-------------|-------------|
| (a) Based on the weighted average number of ordinary shares on issue | 1.76 cents  | 1.99 cents  |
| - Weighted average number of shares                                  | 429,143,947 | 429,143,947 |
| (b) On a fully diluted basis   | 1.76 cents  | 1.99 cents  |
| - Weighted average number of shares                                  | 429,143,947 | 429,143,947 |

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.**

|   | <b>Group</b>     |                  | <b>Company</b>   |                  |
|---|------------------|------------------|------------------|------------------|
|   | <b>31-Mar-15</b> | <b>31-Dec-14</b> | <b>31-Mar-15</b> | <b>31-Dec-14</b> |
| Net asset per ordinary share based on existing issued share capital as at end of period reported on | 46.10 cents      | 44.46 cents      | 44.01 cents      | 44.15 cents      |

The net asset per outstanding ordinary share as at both the current and the previous financial year have been calculated based on 429,143,947 outstanding ordinary shares.

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion on the following:

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

**Revenue**  
1Q2015 Vs 1Q2014

|                                 | <b>Group</b>          |                  |               |
|---------------------------------|-----------------------|------------------|---------------|
|                                 | <b>3 Months Ended</b> |                  |               |
|                                 | <b>31-Mar-15</b>      | <b>31-Mar-14</b> | <b>Change</b> |
|                                 | <b>S\$'000</b>        | <b>S\$'000</b>   | <b>%</b>      |
| <b>Business Segments</b>        |                       |                  |               |
| Semiconductor (Semicon)         | 27,349                | 34,163           | -20%          |
| Others                          | 118                   | 146              | -19%          |
|                                 | <b>27,467</b>         | <b>34,309</b>    | <b>-20%</b>   |
| <b>Geographical Regions</b>     |                       |                  |               |
| Singapore                       | 14,314                | 18,734           | -24%          |
| United States of America ('US') | 7,043                 | 7,378            | -5%           |
| Others                          | 6,110                 | 8,197            | -25%          |
|                                 | <b>27,467</b>         | <b>34,309</b>    | <b>-20%</b>   |

**Revenue**

Revenue for the three months ended 31 March 2015 ("1Q2015") decreased 20% from S\$34.3 million a year ago ("1Q2014") to S\$27.5 million. This was mainly due to a change in the major customer orders in the current quarter. From the report of the Group's major customer, business activities are expected to pick up in the second half of FY2015 rather than the traditional stronger first half experienced in the past few years. On a sequential basis, revenue in 1Q2015 improved 24% from S\$22.1 million in the preceding quarter ("4Q2014") as demand showed signs of improvement.

Geographically, Singapore continue to account for the majority of the Group's revenue, contributing S\$14.3 million in 1Q2015, a 24% fall from S\$18.7 million in 1Q2014. This was largely attributed to lower semiconductor Integrated System sales. Revenue from United States of America ("US") stood at S\$7.0 million, a 5% decrease from a year ago while revenue from Others declined 25% from S\$8.2 million in 1Q2014 to S\$6.1 million in 1Q2015. The lower revenue contributions from US and Others were mainly due to lower component sales.

**Profitability**

UMS' gross material margin grew 4 percentage points from 53% in 1Q2014 to 57% in 1Q2015 resulting mainly from the appreciation of the USD.

During the current quarter, employee benefits remained flat at S\$3.3 million whilst depreciation expense increased 10% to S\$2.0 million from S\$1.8 million in 1Q2014 due to additional machinery and equipment. Other expenses fell 21% from S\$3.4 million in the previous corresponding quarter to S\$2.7 million in 1Q2015 as a result of lower utilities, repair and maintenance costs. Other credits/ charges included an S\$0.8 million foreign exchange gain (1Q2014: S\$0.1 million), which was largely attributable to the appreciation of US dollar during 1Q2015.

The provision made for income tax was reduced by 17% to S\$1.0 million in tandem with the lower profit.

As a result of the above-mentioned, net profit in 1Q2015 declined 12% to S\$7.5 million as compared to S\$8.6 million in 1Q2014.

**Cashflow**

In 1Q2015, UMS continued to generate strong cash flow with a positive operating cash flow of S\$6.6 million and free cash flow of S\$6.4 million.

The Group has no bank borrowings and its net cash and cash equivalents stood at S\$40.8 million as of 31 March 2015.

**9 Where a forecast, or prospect statement has been previously disclosed to the shareholders, any variance between it and the actual results.**

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the 4Q2014 results announcement made on 26 Feb 2015.

**10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

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.<sup>1</sup> Moreover, according to Gartner, capital equipment spending is expected to increase 5.6 percent to US\$41.1 billion in 2015.<sup>2</sup> 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 board of directors is confident that 2015 will continue to be a profitable year for the Group.

*Footnote*

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

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

**11 Dividend**

**(a) Current Financial Period Reported**

Any dividend declared for the current financial period reported on? **Yes**

| Name of Dividend      | Proposed Interim Dividend                             |
|-----------------------|---|
| Dividend Type         | Cash  |
| Dividend Amount (SGD) | 1.0 cent per ordinary share,<br>(tax exempt one-tier) |
| Tax rate              | Not applicable  |

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? **Yes**

| Name of Dividend      | Proposed Interim Dividend                             |
|-----------------------|---|
| Dividend Type         | Cash  |
| Dividend Amount (SGD) | 1.0 cent per ordinary share,<br>(tax exempt one-tier) |
| Tax rate              | Not applicable  |

**(c) Date payable**

28 July 2015.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 10 July 2015 , for the purpose of determining members' entitlements to the First Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2015.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 9 July 2015 will be registered before entitlements to the First Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 July 2015 will be entitled to the First Interim Dividend.

**12 If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.**

|  | <b>3 Months Ended 31 March 2015</b>   |
|--|---|
| Name of interested person  | Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)<br><b>S\$'000</b> |
| <b>Sure Achieve Enterprises Pte Ltd (Note 1)</b><br>Consultancy Services charges | 197   |
| <b>Kalf Engineering Pte Ltd (Note 2)</b><br>Factory rental                       | 3   |

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director. She was formerly the executive director/COO of the UMS Group and is the wife of the CEO, Mr. Andy Luong. She left the Company on 6 March 2013 and continued as a consultant thereafter.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd for the period ended 31 March 2015 amounted to S\$197,000 which represented approximately 0.2% of the Group's latest audited net tangible assets as at 31 December 2014.

Note 2: Kalf Engineering Pte Ltd is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest.

**14 Negative confirmation pursuant to Rule 705 (5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1Q2015 and the period ended 31 March 2015 financial results to be false or misleading in any material respect.

On behalf of the Board

**Luong Andy**  
Chief Executive Officer

**Stanley Loh Meng Chong**  
Executive Director

**BY ORDER OF THE BOARD**

**Luong Andy**  
**Chief Executive Officer**  
8 May 2015