

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**Third 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 30 SEPTEMBER 2015**

	Group					
	3Q			9 Months Ended		
	30-Sep-15 S\$'000	30-Sep-14 S\$'000	Change %	30-Sep-15 S\$'000	30-Sep-14 S\$'000	Change %
Revenue	30,696	24,771	24%	89,206	87,769	2%
Net finance income (Note (a))	33	4	725%	72	29	148%
Changes in inventories	796	1,156	-31%	1,567	(2,267)	N.M
Raw material purchases and subcontractor charges	(14,595)	(12,595)	16%	(40,454)	(37,726)	7%
Employee benefits expense	(3,886)	(3,162)	23%	(10,692)	(9,356)	14%
Depreciation expense	(1,808)	(2,002)	-10%	(5,784)	(5,836)	-1%
Other expenses (Note (b))	(3,643)	(2,904)	25%	(9,220)	(9,187)	0%
Other credits (Note (c))	1,781	535	233%	2,400	245	880%
<b>Profit before income tax</b>	<b>9,374</b>	<b>5,803</b>	<b>62%</b>	<b>27,095</b>	<b>23,671</b>	<b>14%</b>
Income tax expense (Note (d))	(843)	(338)	149%	(2,757)	(2,419)	14%
<b>Net profit for the period from continuing operations</b>	<b>8,531</b>	<b>5,465</b>	<b>56%</b>	<b>24,338</b>	<b>21,252</b>	<b>15%</b>
<b>Attributable to:</b>						
Equity holders of the Company	8,531	5,465	56%	24,338	21,252	15%
Minority interests	-	-	N.M	-	-	N.M
	<b>8,531</b>	<b>5,465</b>	<b>56%</b>	<b>24,338</b>	<b>21,252</b>	<b>15%</b>

N.M - Not meaningful

## **NOTES TO INCOME STATEMENT**

### **Note (a) Net finance income**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest income	33	15	120%	72	47	53%
Interest expense	-	(11)	N.M	-	(18)	N.M
Net finance income	33	4	725%	72	29	148%

### **Note (b) Other expenses**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Legal and professional fees (Note (i))	(286)	(283)	1%	(883)	(913)	-3%
Rental expense (includes leasing of land)	(412)	(386)	7%	(1,221)	(1,176)	4%
Utilities	(861)	(969)	-11%	(2,376)	(2,891)	-18%
Freight charges	(173)	(162)	7%	(421)	(490)	-14%
Insurance	(162)	(120)	35%	(425)	(354)	20%
Upkeep of properties and equipment (Note (ii))	(681)	(42)	1521%	(756)	(168)	350%
Upkeep of machinery (Note (iii))	(689)	(516)	34%	(1,916)	(1,858)	3%
Others	(379)	(426)	-11%	(1,222)	(1,337)	-9%
	(3,643)	(2,904)	25%	(9,220)	(9,187)	0%

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 increase in upkeep of properties and equipment by S\$0.6M was mainly due to building reinstatement for 25 Changi North Rise. The lease of this property expires in Nov 2015.

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

**Note (c) Other credits**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Foreign exchange gain (Note (i))	2,411	525	359%	3,023	30	9977%
Allowance for doubtful non-trade debts (Nontrade) (Note (ii))	(308)	-	N.M	(308)	-	N.M
Gain on disposal of property, plant and equipment	14	1	1300%	14	40	-65%
Property, plant & equipment written off	(211)	(2)	10450%	(213)	(2)	10550%
Inventories written off	(219)	-	N.M	(243)	-	N.M
Allowance for inventories obsolescence	(133)	-	N.M	(133)	-	N.M
Write back of allowance for inventories obsolescence	219	-	N.M	219	105	109%
Others	8	11	-27%	41	72	-43%
	<b>1,781</b>	<b>535</b>	<b>233%</b>	<b>2,400</b>	<b>245</b>	<b>880%</b>

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

Note 1(a)(c)(ii) - The provision made for other receivables relates to payment for a project.

**Note (d) Income tax**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Income tax:						
- Current	(843)	(338)	149%	(2,757)	(2,419)	14%
- Deferred tax	-	-	N.M	-	-	N.M
	<b>(843)</b>	<b>(338)</b>	<b>149%</b>	<b>(2,757)</b>	<b>(2,419)</b>	<b>14%</b>

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	
	30 Sep 2015 S\$'000	31 Dec 2014 S\$'000	30 Sep 2015 S\$'000	31 Dec 2014 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances (Note (ii))	38,255	33,792	45	357
Trade receivables and other current assets (Note (iii))	17,429	12,850	406	3,740
Inventories	33,893	33,327	-	-
<b>Total Current Assets</b>	<b>89,577</b>	<b>79,969</b>	<b>451</b>	<b>4,097</b>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	33,144	41,725	-	-
Investment property	2,465	2,629	-	-
Goodwill	81,683	81,683	-	-
<b>Total Non-Current Assets</b>	<b>117,292</b>	<b>126,037</b>	<b>192,415</b>	<b>192,415</b>
<b>Total Assets</b>	<b>206,869</b>	<b>206,006</b>	<b>192,866</b>	<b>196,512</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	10,492	11,061	8,405	7,043
Income tax payable	2,248	2,357	-	-
<b>Total Current Liabilities</b>	<b>12,740</b>	<b>13,418</b>	<b>8,405</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>14,530</b>	<b>15,208</b>	<b>8,405</b>	<b>7,043</b>
<b>Capital and Reserves</b>				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(9,894)	(4,263)	-	-
Retained earnings	65,610	58,438	47,838	52,846
<b>Total Equity</b>	<b>192,339</b>	<b>190,798</b>	<b>184,461</b>	<b>189,469</b>
<b>Total Liabilities and Equity</b>	<b>206,869</b>	<b>206,006</b>	<b>192,866</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 30 September 2015 are as follows:

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

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$4.5 million was mainly due to net cash generated from operation activities partially offset by dividend payments made during the period.

Note 1(b)(i)(iii)– Trade receivables and other current assets increased by S\$4.6 million, which were mainly due to higher sales during the period.

**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.**

	Group			
	3Q		9 Months Ended	
	30-Sep-15 S\$'000	30-Sep-14 S\$'000	30-Sep-15 S\$'000	30-Sep-14 S\$'000
<b>Cash flows from operating activities</b>				
Profit before income tax	9,374	5,803	27,095	23,671
Adjustments for:				
Depreciation expense	1,808	2,002	5,784	5,836
Allowance for doubtful non- trade debts	308	-	308	-
Allowance for inventories obsolescence	133	-	133	-
Inventories written off	219	-	243	-
Write back of allowance for inventories obsolescence	(219)	-	(219)	(105)
Property, plant and equipment written off	211	2	213	2
Gain on disposal of property, plant and equipment	(14)	(1)	(14)	(40)
Interest income	(33)	(15)	(72)	(47)
Interest expense	-	11	-	18
Unrealised foreign exchange (gain)/ loss	(1,265)	(430)	(1,530)	230
<b>Operating cash flows before working capital changes</b>	<b>10,522</b>	<b>7,372</b>	<b>31,941</b>	<b>29,565</b>
Changes in working capital:				
Trade receivables and other current assets	(4,013)	3,554	(4,838)	6,151
Inventories	54	(929)	(745)	2,233
Trade and other payables	(838)	(1,387)	282	(8,644)
<b>Cash generated from operations</b>	<b>5,725</b>	<b>8,610</b>	<b>26,640</b>	<b>29,305</b>
Income tax paid	(1,319)	(1,681)	(2,611)	(3,950)
<b>Net cash generated from operating activities</b>	<b>4,406</b>	<b>6,929</b>	<b>24,029</b>	<b>25,355</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	14	1	14	40
Purchase of property, plant and equipment	(956)	(1,248)	(1,547)	(5,457)
Interest received	33	15	72	47
<b>Net cash used in investing activities</b>	<b>(909)</b>	<b>(1,232)</b>	<b>(1,461)</b>	<b>(5,370)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	-	1,268	-	6,268
Repayment of bank borrowings	-	(6,268)	-	(6,268)
Dividends paid	(4,292)	(4,292)	(17,166)	(16,323)
(Placement)/ withdrawal of fixed deposit - restricted	-	(2)	247	(6)
Interest paid	-	(11)	-	(18)
<b>Net cash used in financing activities</b>	<b>(4,292)</b>	<b>(9,305)</b>	<b>(16,919)</b>	<b>(16,347)</b>
Net effect of exchange rate changes	(557)	440	(937)	65
Net (decrease)/ increase in cash and cash equivalents	(1,352)	(3,168)	4,712	3,703
Cash and cash equivalents at beginning of the period	39,607	35,861	33,543	28,990
<b>Cash and cash equivalents at end of the period</b>	<b>38,255</b>	<b>32,693</b>	<b>38,255</b>	<b>32,693</b>
Fixed deposit - restricted in use			-	254
<b>Cash and cash equivalents in the Balance Sheet</b>			<b>38,255</b>	<b>32,947</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.

	Group					
	3Q			9 Months Ended		
	30-Sep-15 S\$'000	30-Sep-14 S\$'000	Change %	30-Sep-15 S\$'000	30-Sep-14 S\$'000	Change %
<b>Net Profit for the period</b>	8,531	5,465	56%	24,338	21,252	15%
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	(3,838)	141	N.M	(5,631)	337	N.M
<b>Total comprehensive income for the period</b>	4,693	5,606	-16%	18,707	21,589	-13%
<b>Attributable to:</b>						
Equity holders of the Company	4,693	5,606	-16%	18,707	21,589	-13%
Minority interests	-	-	N.M	-	-	N.M

The exchange loss on translation of foreign operations was mainly due to the depreciation of the Malaysian Ringgit.

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.

	Share Capital S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
<b>Group</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- Exchange differences on translation of foreign operations	-	49	-	49
<b>Total comprehensive income for the quarter</b>	-	49	8,558	8,607
<b>Balance at 31 March 2014</b>	<u>136,623</u>	<u>(3,858)</u>	<u>66,973</u>	<u>199,738</u>
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	7,229	7,229
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	147	-	147
<b>Total comprehensive income for the quarter</b>	-	147	7,229	7,376
Dividend paid	-	-	(12,031)	(12,031)
<b>As at 30 June 2014</b>	<u>136,623</u>	<u>(3,711)</u>	<u>62,171</u>	<u>195,083</u>
<b>Changes in equity for third quarter</b>				
Net profit for the period	-	-	5,465	5,465
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	141	-	141
<b>Total comprehensive income for the quarter</b>	-	141	5,465	5,606
Dividend paid	-	-	(4,292)	(4,292)
<b>As at 30 September 2014</b>	<u>136,623</u>	<u>(3,570)</u>	<u>63,344</u>	<u>196,397</u>



<b>Group</b>	<b>Share Capital S\$'000</b>	<b>Foreign Exchange Translation Reserve S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total equity attributable to equity of holders of the Company 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- Exchange differences on translation of foreign operations	-	(490)	-	(490)
<b>Total comprehensive income for the quarter</b>	-	(490)	7,541	7,051
<b>Balance at 31 March 2015</b>	<u>136,623</u>	<u>(4,753)</u>	<u>65,979</u>	<u>197,849</u>
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	8,266	8,266
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(1,303)	-	(1,303)
<b>Total comprehensive income for the quarter</b>	-	(1,303)	8,266	6,963
Dividend paid	-	-	(12,874)	(12,874)
<b>As at 30 June 2015</b>	<u>136,623</u>	<u>(6,056)</u>	<u>61,371</u>	<u>191,938</u>
<b>Changes in equity for third quarter</b>				
Net profit for the period	-	-	8,531	8,531
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(3,838)	-	(3,838)
<b>Total comprehensive income for the quarter</b>	-	(3,838)	8,531	4,693
Dividend paid	-	-	(4,292)	(4,292)
<b>As at 30 September 2015</b>	<u>136,623</u>	<u>(9,894)</u>	<u>65,610</u>	<u>192,339</u>

<b>Company</b>	<b>Share Capital S\$'000</b>	<b>Capital Reserve S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total equity attributable to equity of holders of the Company S\$'000</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
<b>Changes in equity for second quarter</b>				
Net profit for the period	-	-	1,559	1,559
<b>Total comprehensive income for the quarter</b>	-	-	1,559	1,559
Dividend paid	-	-	(12,031)	(12,031)
<b>As at 30 June 2014</b>	136,623	-	47,806	184,429
<b>Changes in equity for third quarter</b>				
Net profit for the period	-	-	8,351	8,351
<b>Total comprehensive income for the quarter</b>	-	-	8,351	8,351
Dividend paid	-	-	(4,292)	(4,292)
<b>As at 30 September 2014</b>	136,623	-	51,865	188,488

Company	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
<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
<b>Changes in equity for second quarter</b>				
Net loss for the period	-	-	(608)	(608)
<b>Total comprehensive income for the quarter</b>	-	-	(608)	(608)
Dividend paid	-	-	(12,874)	(12,874)
<b>As at 30 June 2015</b>	136,623	-	38,750	175,373
<b>Changes in equity for third quarter</b>				
Net profit for the period	-	-	13,380	13,380
<b>Total comprehensive income for the quarter</b>	-	-	13,380	13,380
Dividend paid	-	-	(4,292)	(4,292)
<b>As at 30 September 2015</b>	136,623	-	47,838	184,461

- 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 30 September 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 30 September 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 30 September 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.**

	Group			
	3Q		9 Months Ended	
	30-Sep-15	30-Sep-14	30-Sep-15	30-Sep-14
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	1.99 cents	1.27 cents	5.67 cents	4.95 cents
- Weighted average number of shares	429,143,947	429,143,947	429,143,947	429,143,947
(b) On a fully diluted basis	1.99 cents	1.27 cents	5.67 cents	4.95 cents
- Weighted average number of shares	429,143,947	429,143,947	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.**

	Group		Company	
	30-Sep-15	31-Dec-14	30-Sep-15	31-Dec-14
Net asset per ordinary share based on existing issued share capital as at end of period reported on	44.82 cents	44.46 cents	42.98 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**  
**9 Months 2015 Vs 2014**

	<b>Group</b>		
	<b>9 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	88,637	87,180	2%
Others	569	589	-3%
	<b>89,206</b>	<b>87,769</b>	<b>2%</b>
<b>Geographical Regions</b>			
Singapore	44,757	48,463	-8%
United States of America ('US')	22,269	17,272	29%
Others	22,180	22,034	1%
	<b>89,206</b>	<b>87,769</b>	<b>2%</b>

**Revenue**  
**3Q2015 Vs 3Q2014**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>30-Sep-15</b>	<b>30-Sep-14</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Semiconductor (Semicon)	30,250	24,634	23%
Others	446	137	226%
	<b>30,696</b>	<b>24,771</b>	<b>24%</b>
<b>Geographical Regions</b>			
Singapore	13,811	13,407	3%
United States of America ('US')	7,783	4,667	67%
Others	9,102	6,697	36%
	<b>30,696</b>	<b>24,771</b>	<b>24%</b>

**Revenue**

For the three months ended 30 September 2015 ("3Q2015"), the Group achieved a revenue growth of 24%, from S\$24.8 million in the three months ended 30 September 2014 ("3Q2014") to S\$30.7 million. Following the pick up in business activities in the previous quarter ("2Q2015"), the momentum continued into 3Q2015. On a sequential basis, revenue was \$30.7 million in 2Q2015, as compared to S\$31.0 million in 3Q2015.

The Semiconductor ("Semicon") segment grew 23% in 3Q2015, from S\$24.6 million a year ago to S\$30.3 million while the Others segment rose to S\$0.4 million from S\$0.1 million in the same period.

Geographically, Singapore remained as the Group's top revenue contributor, accounting for S\$13.8 million in 3Q2015, a 3% increase from S\$13.4 million in 3Q2014 due to the relatively stable integrated system business. For the same period, revenue from the United States of America ("US") saw a 67% improvement as a result of higher component sales, growing from S\$4.7 million in 3Q2014 to S\$7.8 million in 3Q2015. Similarly, the Others region experienced a 36% increase from S\$6.7 million in 3Q2014 to S\$9.1 million in 3Q2015 as a result of higher component sales.

For the nine months ended 30 September 2015 ("9M2015"), UMS' revenue stood at S\$89.2 million, a 2% improvement from S\$87.8 million for the previous corresponding nine months ("9M2014"). The Semicon segment increased 2% from S\$87.2 million in 9M2014 to S\$88.6 million in 9M2015 while the Others segment remained fairly stable at S\$0.6 million in the same period.

The revenue contribution from Singapore declined 8%, from S\$48.5 million in 9M2014 to S\$44.8 million in 9M2015 whilst the US market grew 29% to S\$22.3 million in 9M2015. The Others region rose 1% to S\$22.2 million in the same period.

### **Profitability**

UMS' gross material margin grew to 55% in 3Q2015, 1 percentage point up from 54% in 3Q2014.

Employee benefits expense grew 23% to S\$3.9 million in 3Q2015 from S\$3.2 million in 3Q2014 because of higher provisions made by the Group. Depreciation expense declined 10% from S\$2.0 million to S\$1.8 million, as some fixed assets had been fully depreciated during the period.

Other expenses increased 25% to S\$3.6 million in 3Q2015, as a result of a provision made for building reinstatement at the Group's premises at 25 Changi North Rise. The Group had transferred most of its production activity from this location to its Penang plant and relocated its administrative functions to 23 Changi North Crescent. This move is expected to achieve a cost savings of at least S\$0.5 million annually.

Other credits/ charges included an exchange gain of S\$2.4 million which was mainly due to the appreciation of US dollar during 3Q2015 (3Q2014 Exchange Gain: S\$0.5 million).

As a result of the above, UMS' net profit after tax increased 56% from S\$5.5 million in 3Q2014 to S\$8.5 million in 3Q2015.

For 9M2015, the Group's gross material margin increased 2 percentage points from 54% in 9M2014 to 56% in 9M2015.

Employee benefits expense increased 14% to S\$10.7 million in 9M2015. For the period under review, depreciation expense and other expenses remained flat at S\$5.8 million and S\$9.2 million respectively. Other credits grew to S\$2.4 million in the same period from S\$0.2 million in 9M2014.

The Group recorded a higher net profit of S\$24.3 million in 9M2015 due to the above mentioned reasons, a 15% increase from S\$21.3 million in 9M2014.

### **Cashflow**

In 3Q2015, UMS continued to generate a positive operating cash flow of S\$4.4 million and free cash flow of S\$3.5 million.

The Group recorded operating cash flow and free cash flow of S\$24.0 million and S\$22.5 million respectively in 9M2015.

As at 30 September 2015, the Group has no bank borrowings and its net cash and cash equivalent remained at a healthy level of S\$38.3 million.

## **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 2Q2015 results announcement made on 3 August 2015. Amongst others, the Group had commented that it expected business activities to remain stable.

**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.**

The Group had previously mentioned that the second half of the financial year will be stronger. Whilst business activities did pick up earlier than expected during the previous two quarters, orders from the Group's major customer are showing signs of tapering down as we enter the last quarter of the year.

Similarly, Gartner, a global information technology research house, has again revised its forecast downwards for 2015 to a decline of 1%, down from the previous quarter's forecast of 2.5% growth<sup>1</sup>.

Despite the short term weakness, the Group is optimistic about its mid to long term prospects. A technology report<sup>2</sup> published by Deutsche Bank in October 2015 envisage the migration from 3G to 4G/5G will continue to drive strong mobile device growth into 2020. Additionally, the newer devices will demand more costly hardware, which will drive continuous foundry technology upgrades and thereby spending in semiconductor equipment.

Barring unforeseen circumstances, the board of directors is confident that the Group will be profitable in 2H2015.

*Footnote:*

<sup>1</sup> Refer to <http://www.gartner.com/newsroom/id/3149617>

<sup>2</sup> Report titled "F.I.T.T. for investors 4G and beyond" published on 22 October 2015

**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, (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, (tax exempt one-tier)
Tax rate	Not applicable

**(c) Date payable**

15 December 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 2 December 2015, for the purpose of determining members' entitlements to the Third 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. 1 December 2015 will be registered before entitlements to the Third Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 1 December 2015 will be entitled to the Third 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>9 Months Ended 30 September 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) <b>S\$'000</b>
<b>Sure Achieve Enterprises Pte Ltd (Note 1)</b> Consultancy Services charges	598
<b>Kalf Engineering Pte Ltd (Note 2)</b> Factory rental Downpayment for services - re water system upgrade	(9) 147

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and is the wife of the CEO, Mr. Andy Luong. Sure Achieve Enterprises Pte Ltd provides sales consultancy services to the Group.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd for the period ended 30 September 2015 amounted to S\$598,000 which represented approximately 0.5% 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 3Q2015 and the period ended 30 September 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**  
9 November 2015