

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 2012

	Group					
	3Q			9 Months Ended		
	30-Sep-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	22,952	21,650	6%	91,581	89,271	3%
Net finance expense (Note (a))	(53)	(26)	104%	(137)	(142)	-4%
Changes in inventories	(2,577)	(5,583)	-54%	(4,384)	2,525	N.M
Raw material purchases and sub-contractors charges	(7,960)	(3,453)	131%	(40,210)	(41,614)	-3%
Employee benefits expense	(2,828)	(3,056)	-7%	(9,358)	(9,696)	-3%
Depreciation expense	(2,833)	(2,572)	10%	(7,981)	(7,996)	0%
Other expenses (Note (b))	(2,617)	(2,842)	-8%	(8,315)	(8,964)	-7%
Other (charges)/ credits (Note (c))	(1,740)	3,927	N.M	(3,358)	1,557	N.M
Profit before income tax	2,344	8,045	-71%	17,838	24,941	-28%
Income tax expense (Note (d))	(215)	(704)	-69%	(2,052)	(3,016)	-32%
Profit for the period from continuing operations	2,129	7,341	-71%	15,786	21,925	-28%
Attributable to:						
Equity holders of the Company	2,129	7,341	-71%	15,786	21,925	-28%
Minority interests	-	-	N.M	-	-	N.M
	2,129	7,341	-71%	15,786	21,925	-28%
Earnings per ordinary share (in cents)						
- basic and diluted	0.62	2.14	-71%	4.59	6.38	-28%

N.M - Not meaningful

NOTES TO INCOME STATEMENT**Note (a) Net finance (expense)/ income**

	Group					
	3Q			9 Months Ended		
	30-Sep-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	14	16	-13%	58	38	53%
Interest expense	(67)	(42)	60%	(195)	(180)	8%
Finance expenses - net	(53)	(26)	104%	(137)	(142)	-4%

Note (b) Other expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(115)	(348)	-67%	(330)	(1,060)	-69%
Rental expense (includes leasing of land) (Note (ii))	(425)	(407)	4%	(1,330)	(1,153)	15%
Utilities	(1,145)	(1,194)	-4%	(3,336)	(3,397)	-2%
Freight charges	(120)	(215)	-44%	(474)	(785)	-40%
Upkeep of machinery	(217)	(255)	-15%	(1,149)	(989)	16%
Others	(595)	(423)	41%	(1,696)	(1,580)	7%
	(2,617)	(2,842)	-8%	(8,315)	(8,964)	-7%

Note 1(a)(b) (i) - The decrease in legal and professional fees were mainly due to fees incurred in connection with the Company's dual listing plans in Korea in year 2011 and which did not eventuate.

Note 1 (a)(b)(ii) – The increase in rental expense was mainly due to additional rental space as compared to last year.

Note (c) Other (charges) / credits

	Group					
	3Q			9 Months Ended		
	30-Sep-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange (losses)/ gain (Note (i))	(824)	1,371	N.M	(1,380)	(423)	226%
Provision for trade doubtful debts	(223)	-	N.M	(223)	-	N.M
Gain on disposal of assets classified as held for sale (Note (ii))	-	3,510	-100%	-	3,510	-100%
Loss on disposal of property, plant and equipment	-	-	N.M	(1)	-	N.M
Property, plant & equipment written off	(4)	(18)	-78%	(7)	(18)	-61%
Inventories written off	(942)	(101)	833%	(942)	(74)	1173%
Provision for impairment of inventories (net)	242	(856)	-128%	(835)	(1,613)	-48%
Loss on disposal of a subsidiary	-	-	N.M	-	(59)	-100%
Others	11	21	-48%	30	234	-87%
	(1,740)	3,927	N.M	(3,358)	1,557	N.M

Note 1(a)(c)(i) - The increase in exchange losses was due to depreciation of the US dollar during the period.

Note 1(a)(c)(ii) - This relates to the disposal of factory buildings in Penang, Malaysia and Singapore in 3Q2011.

Note (d) Income tax

	Group					
	3Q			9 Months Ended		
	30-Sep-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(215)	(704)	-69%	(2,052)	(2,825)	-27%
- Deferred tax	-	-	N.M	-	(191)	-100%
	(215)	(704)	-69%	(2,052)	(3,016)	-32%

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-12 S\$'000	31-Dec-11 S\$'000	30-Sep-12 S\$'000	31-Dec-11 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents (Note (ii))	33,531	37,947	922	3,242
Trade receivables and other current assets (Note (iii))	10,344	11,081	2,255	4,729
Inventories (Note (iv))	35,090	33,076	-	-
	78,965	82,104	3,177	7,971
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	208,180	180,444
Property, plant and equipment	52,336	59,495	-	-
Investment property	3,221	3,390	-	-
Financial assets, held-to-maturity	4,305	4,545	-	-
Goodwill (Note (v))	80,784	60,702	-	-
	140,646	128,132	208,180	180,444
Total Assets	219,611	210,236	211,357	188,415
LIABILITIES AND EQUITY				
Current Liabilities				
Short term borrowing (Note (ii))	17,155	-	-	-
Trade and other payables (Note (vi))	10,541	15,336	16,917	3,751
Income tax payable	2,021	3,923	-	29
Current portion of finance leases obligation (Note (vii))	580	2,527	-	-
	30,297	21,786	16,917	3,780
Non Current Liabilities				
Deferred tax	2,113	2,082	-	-
Finance leases obligation (Note (vii))	-	138	-	-
Long-term provision *	800	800	-	-
	2,913	3,020	-	-
Total Liabilities	33,210	24,806	16,917	3,780
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(2,608)	(1,543)	85	85
Retained earnings	52,386	50,350	57,732	47,927
Total Equity	186,401	185,430	194,440	184,635
Total Liabilities and Equity	219,611	210,236	211,357	188,415

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 30 September 2012 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	30-Sep-2012	31-Dec-2011	30-Sep-2012	31-Dec-2011
	%	%	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
NCS Engineering Pte Ltd ¹ (Singapore)	100	100	403	403
UMS Pte Ltd (Singapore)	100	100	127,039	127,039
ASL International Trading, Inc ³ (United States)	100	100	7,966	33
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
UMS Solar Pte Ltd ¹ (Singapore)	100	100	10	10
Integrated Manufacturing Technologies Pte Ltd ² (Singapore)	100	-	19,803	-
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
Unquoted equity shares, at cost			216,354	188,618
Add: Expenses recognised relating to equity settled share-based payments			42	42
Less: Provision for impairment			(8,216)	(8,216)
			208,180	180,444
<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		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
A1 Metal Sdn. Bhd. ¹ (Malaysia)	100	100		
<u>Held through ASL International Trading, Inc.</u>				
Integrated Manufacturing Technologies Inc. ² (United States)	100	-		

Note:

¹ The subsidiary was placed under voluntary deregistration.

² The subsidiaries were acquired during the period.

³ During the period, the Company increased its investment in ASL International Trading, Inc by subscribing to an additional 6,350,478 ordinary shares of USD1.00 each.

Note 1(b)(i)(ii) – The decrease in cash and cash equivalents by S\$4.4 million and increase in short-term borrowing of S\$17.2 million were mainly due to the acquisition of Integrated Manufacturing Technologies Pte Ltd (“IMT-S”) and Integrated Manufacturing Technologies Inc (“IMT-USA”).

Note 1(b)(i)(iii) – Trade receivables and other current assets decreased by S\$0.7 million mainly due to lower sales during the period.

Note 1(b)(i)(iv) – Inventories increased by 6.1% or S\$2.0 million mainly due to the acquisition of IMT-S and IMT-USA.

Note 1(b)(i)(v) – The increase in goodwill was due to the acquisition of IMT-S and IMT-USA and this represents the excess of the cost of acquisition over the group's interest in the fair value of their net tangible assets as at the date of acquisition.

Note 1(b)(i)(vi) – The decrease in trade and other payables by S\$4.8 million was mainly due to lower purchases made during the period.

Note 1(b)(i)(vii) – The total decrease in finance lease obligations by S\$2.1 million was due to repayments made during the period.

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

Amount repayable in one year or less, or on demand

As at 30 September 2012			As at 31 Dec 2011		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
17,735	-	17,735	2,527	-	2,527

Amount repayable after one year

As at 30 September 2012			As at 31 Dec 2011		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	-	-	138	-	138

Details of any collateral

The Group's borrowings comprise mainly of finance leases and short term bank borrowing. The finance leases are secured by mortgages over the plant and machinery of a subsidiary and the short term bank borrowings are secured by corporate guarantee.

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-12 S\$'000	30-Sep-11 S\$'000	30-Sep-12 S\$'000	30-Sep-11 S\$'000
Cash flows from operating activities				
Net profit before income tax	2,344	8,045	17,838	24,941
Adjustments for:	-			
Depreciation expense	2,833	2,572	7,981	7,996
Provision for trade doubtful debts	223	-	223	-
Provision for impairment of inventories (net)	(242)	856	835	1,613
Inventories written off	942	101	942	74
Property, plant and equipment written off	4	18	7	18
Gain on disposal of assets classified as held for sale	-	(3,510)	-	(3,510)
Loss on disposal of property, plant and equipment	-	-	1	-
Loss on disposal of a subsidiary	-	-	-	59
Interest income	(14)	(16)	(58)	(38)
Interest expense	67	42	195	180
Unrealised foreign exchange losses	2,254	(1,278)	2,819	(1,041)
Operating cash flow before working capital changes	8,411	6,830	30,783	30,292
Changes in operating assets and liabilities:				
Trade receivables and other current assets	5,393	7,026	3,472	16,895
Inventories	2,334	3,532	572	(4,137)
Trade and other payables	(4,835)	(8,445)	(6,539)	(4,740)
Cash generated from operations	11,303	8,943	28,288	38,310
Income tax paid	(2,273)	(1,981)	(4,661)	(4,655)
Net cash generated from operating activities	9,030	6,962	23,627	33,655
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	-	1	-
Purchase of property, plant and equipment	(943)	(62)	(1,088)	(7,157)
Proceeds from disposal of assets classified as held for sale	-	9,998	-	9,998
Purchase of financial assets, available-for-sale	-	-	-	(308)
Net cash outflow on acquisition of subsidiaries	-	-	(27,061)	(60)
Interest received	14	16	58	38
Net cash (used in)/ generated from investing activities	(929)	9,952	(28,090)	2,511
Cash flows from financing activities				
Proceeds from short-term borrowing	7,055	-	17,155	-
Dividends paid	(3,437)	(3,438)	(13,750)	(17,188)
Repayment of finance leases obligation	(555)	(906)	(2,085)	(3,579)
Decrease/ (increase) in fixed deposit - restricted	21	(2)	22	(40)
Interest paid	(67)	(42)	(195)	(180)
Net cash generated from/ (used in) financing activities	3,017	(4,388)	1,147	(20,987)
Net effect of exchange rate changes	(658)	943	(1,078)	211
Net increase/ (decrease) in cash and cash equivalents	10,460	13,469	(4,394)	15,390
Cash and cash equivalents at beginning of the period	22,815	22,219	37,669	20,298
Cash and cash equivalents at end of the period	33,275	35,688	33,275	35,688
Fixed deposit - restricted in use			256	274
Cash and cash equivalents in the Balance Sheet			33,531	35,962

- 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-12	30-Sep-11	Change	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	2,129	7,341	-71%	15,786	21,925	-28%
Other comprehensive income:						
Currency translation differences arising on consolidation	(151)	101	N.M	(1,065)	(758)	41%
period	1,978	7,442	-73%	14,721	21,167	-30%
Attributable to:						
Equity holders of the Company	1,978	7,442	-73%	14,721	21,167	-30%
Minority interests	-	-	N.M	-	-	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.

	Share Capital S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group					
As at 1 January 2011	136,623	51	(1,079)	43,336	178,931
Changes in equity for first quarter					
Profit for the period	-	-	-	7,553	7,553
Other comprehensive income for the period	-	-	(66)	-	(66)
Total comprehensive income for the quarter	-	-	(66)	7,553	7,487
As at 31 March 2011	136,623	51	(1,145)	50,889	186,418
Changes in equity for second quarter					
Profit for the period	-	-	-	7,031	7,031
Other comprehensive income for the period	-	-	(793)	-	(793)
Total comprehensive income for the quarter	-	-	(793)	7,031	6,238
Disposal of a subsidiary	-	(51)	-	-	(51)
Dividend paid	-	-	-	(13,750)	(13,750)
As at 30 June 2011	136,623	-	(1,938)	44,170	178,855
Changes in equity for third quarter					
Profit for the period	-	-	-	7,341	7,341
Other comprehensive income for the period	-	-	101	-	101
Total comprehensive income for the quarter	-	-	101	7,341	7,442
Dividend paid	-	-	-	(3,438)	(3,438)
As at 30 September 2011	136,623	-	(1,837)	48,073	182,859

	Share Capital S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group					
As at 1 January 2012	136,623	-	(1,543)	50,350	185,430
Changes in equity for first quarter					
Profit for the period	-	-	-	6,032	6,032
Other comprehensive income for the period	-	-	180	-	180
Total comprehensive income for the quarter	-	-	180	6,032	6,212
As at 31 March 2012	136,623	-	(1,363)	56,382	191,642
Changes in equity for second quarter					
Profit for the period	-	-	-	7,625	7,625
Other comprehensive income for the period	-	-	(1,094)	-	(1,094)
Total comprehensive income for the quarter	-	-	(1,094)	7,625	6,531
Dividend paid	-	-	-	(10,313)	(10,313)
As at 30 June 2012	136,623	-	(2,457)	53,694	187,860
Changes in equity for third quarter					
Profit for the period	-	-	-	2,129	2,129
Other comprehensive income for the period	-	-	(151)	-	(151)
Total comprehensive income for the quarter	-	-	(151)	2,129	1,978
Dividend paid	-	-	-	(3,437)	(3,437)
As at 30 September 2012	136,623	-	(2,608)	52,386	186,401

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
As at 1 January 2011	136,623	85	29,802	166,510
Changes in equity for first quarter				
Loss for the period	-	-	(693)	(693)
Total comprehensive expenses for the quarter	-	-	(693)	(693)
As at 31 March 2011	<u>136,623</u>	<u>85</u>	<u>29,109</u>	<u>165,817</u>
Changes in equity for second quarter				
Profit for the period	-	-	24,037	24,037
Total comprehensive income for the quarter	-	-	24,037	24,037
Purchase of treasury shares	-	-	-	-
Dividend paid	-	-	(13,750)	(13,750)
As at 30 June 2011	<u>136,623</u>	<u>85</u>	<u>39,396</u>	<u>176,104</u>
Changes in equity for third quarter				
Loss for the period	-	-	(616)	(616)
Total comprehensive expenses for the quarter	-	-	(616)	(616)
Dividend paid	-	-	(3,438)	(3,438)
As at 30 September 2011	<u>136,623</u>	<u>85</u>	<u>35,342</u>	<u>172,050</u>

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
As at 1 January 2012	136,623	85	47,927	184,635
Changes in equity for first quarter				
Profit for the period	-	-	1,296	1,296
Total comprehensive expenses for the quarter	-	-	1,296	1,296
As at 31 March 2012	136,623	85	49,223	185,931
Changes in equity for second quarter				
Loss for the period	-	-	(216)	(216)
Total comprehensive income for the quarter	-	-	(216)	(216)
Dividend paid	-	-	(10,313)	(10,313)
As at 30 June 2012	136,623	85	38,694	175,402
Changes in equity for third quarter				
Profit for the period	-	-	22,475	22,475
Total comprehensive expenses for the quarter	-	-	22,475	22,475
Dividend paid	-	-	(3,437)	(3,437)
As at 30 September 2012	136,623	85	57,732	194,440

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 2011 to 30 September 2012.

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 2012 was 343,754,327 (31 December 2011: 343,754,327).

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 2011 and 30 September 2012.

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 2011.

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 on or after 1 January 2012.

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.

Earnings per share (EPS)	Group			
	3Q		9 Months Ended	
	30-Sep-12	30-Sep-11	30-Sep-12	30-Sep-11
(a) Based on weighted average number of outstanding ordinary shares in issue; and	0.62 cents	2.14 cents	4.59 cents	6.38 cents
(b) On a fully diluted basis	0.62 cents	2.14 cents	4.59 cents	6.38 cents

The basic earning per share for the latest and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 of outstanding ordinary shares. The diluted earnings per share for the latest and the previous corresponding period have been calculated based on 343,754,327 of outstanding ordinary shares.

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.

Net asset per ordinary share based on existing issued share capital as at end of period reported on	Group		Company	
	30-Sep-12	31-Dec-11	30-Sep-12	31-Dec-11
	54.23 cents	53.94 cents	56.56 cents	53.71 cents

The net asset per outstanding ordinary share as at the latest period and as at the end of the previous financial year have been calculated based on 343,754,327 and 343,754,327 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.

9 months 2012 Vs 9 months 2011

	Group		
	9 months		
	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	5,181	4,350	19%
Semiconductor (Semicon)	86,400	84,921	2%
	91,581	89,271	3%
Geographical Regions			
Singapore	60,257	53,648	12%
United States of America ('US')	16,780	22,411	-25%
Others	14,544	13,212	10%
	91,581	89,271	3%

3Q 2012 Vs 3Q 2011

	Group		
	3Q		
	30-Sep-12	30-Sep-11	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	1,019	922	11%
Semiconductor (Semicon)	21,933	20,728	6%
	22,952	21,650	6%
Geographical Regions			
Singapore	13,302	12,913	3%
United States of America ('US')	4,792	5,221	-8%
Others	4,858	3,516	38%
	22,952	21,650	6%

Revenue

For the three months ended 30 September 2012 ("3Q2012"), UMS revenue grew 6% to S\$23.0 million, as compared to S\$21.7 million in the previous corresponding period ("3Q2011"). Quarter-on-quarter, UMS 3Q2012 revenue declined 37% from S\$36.6 million in the preceding quarter ("2Q2012"). The fragile global economy has weakened consumer demand causing a number of semiconductor equipment end users to review the timing of their investment and capital expenditure programs.

In 3Q2012, UMS revenue in the Semicon segment increased 6% from S\$20.7 million in 3Q2011 to S\$21.9 million while revenue in CEM segment improved 11% to S\$1.0 million from S\$0.9 million in 3Q2011. Compared to the preceding quarter of 2Q2012, Semicon revenue in 3Q2012 decreased 37% while CEM revenue in 3Q2012 declined by 50%.

Geographically, UMS revenue derived from Singapore edged up 3% to S\$13.3 million in 3Q2012 from S\$12.9 million in 3Q2011 and Singapore continued to be the largest revenue contributor. Additionally, UMS revenue from US in 3Q2012 decreased 8% to S\$4.8 million as compared to that of S\$5.2 million in 3Q2011, while its 3Q2012 revenue from Others countries increased 38% from S\$3.5 million in 3Q2011 to S\$4.9 million in 3Q2012.

For the period of nine months ending 30 September 2012 ("9M2012"), UMS revenue grew by 3% to S\$91.6 million, from S\$89.3 million for the corresponding period a year ago ("9M2011"). The Semicon segment contributed S\$86.4 million in 9M2012 as compared to S\$84.9 million in 9M2011 while CEM revenue improved 19% to S\$5.2 million in 9M2012 from S\$4.4 million in 9M2011.

Over the same period, UMS revenue from Singapore in 9M2012 grew 12% to S\$60.3 million, from S\$53.6 million in 9M2011. UMS 9M2012 revenue from US declined 25% to S\$16.8 million while its 9M2012 revenue from Other countries grew 10% to S\$14.5 million.

Profitability

In 3Q2012, UMS gross material margin decreased from 58% in 3Q2011 to 54%, as a result of change in product mix.

Personnel related costs (i.e employee benefits expense) for 3Q2012 decreased 7% to S\$2.8 million as compared to that of S\$3.1 million in 3Q2011. Depreciation expenses increased 10% to S\$2.8 million in 3Q2012 from S\$2.6 million a year ago, mainly due to additional capital expenditure at UMS' Penang plant..

Other charges/credits recorded a loss of S\$1.7 million in 3Q2012 as compared to a gain of S\$3.9 million in 3Q2011. The gain of S\$3.9 million in 3Q2011 was mainly attributed to an exchange gain and a one-off S\$3.5 million gain on the sale of property partially offset by inventory provisions. In contrast, the loss of S\$1.7 million in 3Q2012 was mainly due to: (1) an exchange loss of S\$0.8 million resulting from the depreciation of USD against SGD during 3Q2012, and (2) a net provision for excess and slow moving inventory of S\$0.7 million.

Tax expenses for 3Q2012 decreased to S\$0.2 million, registering a 69% decline from that of S\$0.7 million in 3Q2011, in tandem with the lower profit recorded in 3Q2012.

As a result of the above, UMS reported a lower net profit attributable to equity holders of S\$2.1 million in 3Q2012, representing a 71% decrease from S\$7.3 million in 3Q2011.

For the period of 9M2012, raw materials and sub-contractor costs declined marginally by 3% to S\$40.2 million from S\$41.6 million in 9M2011. Personnel related costs (i.e. employee benefits expense) for 9M2012 was S\$9.4 million, a decline of 3% as compared to S\$9.7 million a year ago. Depreciation expenses for 9M2012 stood flat at S\$8.0 million (9M2011: S\$8.0 million).

Other expenses decreased 7% from S\$9.0 million in 9M2011 to S\$8.3 million in 9M2012. Other credits/charges in 9M2012 recorded a loss of S\$3.4 million as compared to a gain of S\$1.6 million in 9M2011. Tax expenses decreased 32% to S\$2.1 million in 9M2012.

Over the same period, UMS' net profit attributable to equity holders decreased 28% to S\$15.8 million in 9M2012 from S\$21.9 million in 9M2011.

Cashflow

Despite the decline in net profit, UMS continued to exhibit its good track record of generating good cash flow. For 3Q2012, UMS generated positive operating cash flow of S\$9.0 million as well as free cash flow of S\$8.1 million, compared to those of S\$7.0 million and S\$6.9 million respectively in 3Q2011.

For the period of 9 months 2012, UMS generated positive operating cash flow of S\$23.6 million and free cash flow of S\$22.5 million in 9M2012, as compared to S\$33.7 million and S\$26.5 million respectively in 9M2011. UMS cash conversion ratio stood at 143% for 9M2012.

As of 30 September 2012, UMS net cash and cash equivalents remained positive, standing at S\$16.4 million as compared to that of S\$37.9 million as at 31 December 2011. The decrease is attributed to the acquisition of the IMT Group of companies in the beginning of the year.

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

We are in line with our previous announcement.

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 decrease in business volume in 3Q2012 compared to the preceding quarter of 2Q2012 is in line with the management's expectation. Previously, the Group had announced that its key customer had revised their forecast downwards for the August to October 2012 quarter due to weaker-than-expected demand from the foundries as they hold back their investment plans.

This is a result of weak consumer demand, exacerbated by the continued European crisis and global economic uncertainties. This was particularly evident in the ongoing decline in personal computer sales.

Similarly, sentiments among semiconductor equipment manufacturers remained depressed and the Group does not expect an early recovery in the last quarter of 2012.

UMS will continue to work closely with its major customer to monitor the demand situation for the next few months. Additionally, the Group will continue to take advantage of this period to shift more of its operations to Penang. This will help to reduce operating costs and alleviate the shortage of labour in Singapore.

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

21 December 2012.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 5 December 2012, 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 2012.

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 4 December 2012 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 4 December 2012 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.

From 1 Jan 2012 to 17 Feb 2012	
Name of interested person	Aggregate value of all interested person transactions conducted during the financial period under review shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000
Integrated Manufacturing Technologies Pte Ltd ("IMT-S")	
Sales of semi-conductor equipment components	-
Provision of human resource services, and rent and utilities	146
Subcontractor works involving welding and tube bending	1,356
Integrated Manufacturing Technologies Inc. ("IMT-USA")	
Sales of semi-conductor equipment components	-
Purchases of components, assemblies, consumables and spares	43
Subcontractor works involving welding and tube bending	18

Note: Transactions above are with companies in which Luong Andy and Lee Luong Sylvia S Y have a direct and deemed equity interest prior to the Group's acquisition of these companies.

The aggregate value of IPT entered into between the Group and IMT-S and IMT-USA for the period ended on acquisition date amounted to S\$1,563,000 which represented approximately 1.3% of the Group's latest audited net tangible assets as at 31 December 2011.

The shareholders have approved the IPT mandate via a shareholder meeting on 16 August 2011.

The nature of the interested person transactions between the Group and each of IMT-S and IMT-USA are set out in more detail in the Company's circular to Shareholders dated 25 July 2011 in respect of the IPT General Mandate.

However, IMT-S and IMT-USA have since been acquired via a shareholders' EGM dated 1 February 2012 as set out in the Company's circular to Shareholders dated 12 January 2012. The IMT-S acquisition was completed on 17 February 2012. The IMT-USA acquisition, which was a condition precedent to completion of the IMT-S acquisition, was completed on 14 February 2012.

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 3Q2012 and period ended 30 September 2012 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
7 November 2012