



Company Registration No.: 200100340R

UMS POSTS NET PROFIT OF S\$12.1 MILLION ON TURNOVER OF S\$138 MILLION

- **Gross material margin rises to 55% in FY07 from 47% in FY06**
- **Group is on track with its expansion plans in Penang and business portfolio diversification into high-yielding segments such as aerospace and oil & gas**
- **Maintains cautious outlook on semiconductor business for FY08**
- **Poised to enter into solar energy sector as its Penang campus was successfully qualified by a Canadian solar energy producer**

Singapore, February 29, 2008 – Mainboard-listed UMS Holdings Limited (“UMS” or “The Group”), a global contract equipment manufacturer, has posted a net profit of S\$12.1 million on a turnover of S\$138.2 million for the financial year ended Dec 31, 2007.

Its net earnings amounted to S\$1.74 million on a turnover of \$31.5 million for the fourth quarter of the year.

Net profit for FY07 fell 50%, although net profit for Q4FY07 rose 7% from their previous corresponding periods due to the absence of a one-time gain of S\$9.9 million from the disposal of the Group’s recycling business, and a S\$6.4 million loss incurred in forward contracts as well as the foreign exchange differences from a weaker US dollar.

The 17% and 19% revenue decline for FY07 and Q4FY07 respectively were largely attributed to reduced contributions arising from the continuing weakness in the global semiconductor industry.

Despite the lower sales, the Group enjoyed higher gross material margins, which rose to 55% in FY07 from 47% in FY06. This was attributed to the changing product mix in the semiconductor segment. Improvements in profit margins were also recorded in the CEM segment with the introduction of new products.

The semiconductor business accounted for S\$109.8 million or 80% of the Group's total revenue for FY07, down from S\$134.2 million in FY06. The lower sales reflected the overall softening of the global semiconductor industry. CEM (contract equipment manufacturing) sales for FY07 also fell to S\$28.4 million against S\$33.2 million in FY06 due to weaker orders from the HDD (hard disk drive) industry.

On the Group's performance and forward-looking plans, Mr. Andy Luong, CEO of UMS Holdings, said, "The Group will continue to forward integrate its semiconductor business by expanding into system integration initiatives for our global customers, and we are in line with the Group's strategy to diversify our business portfolio – including semiconductor, CEM, oil and gas and solar renewable energy sectors. Our expansion plans in Singapore and Penang are still intact and proceeding on schedule. In fact, we are pleased that our efforts to penetrate the solar energy sector are bearing fruit. Our Penang campus was recently qualified by a Canadian solar energy producer to manufacture solar products in Q2FY08."

The Group is also on track with its plans to expand into new business segments such as aerospace and oil & gas. Mr. Luong said, "We are poised to see new growth from these new business segments, following our maiden exhibition at the recent Singapore Airshow 2008, and the official opening of our new US\$20-million, 80,000-sq metre facility in Changi North Rise. The outlook for oil and gas demand also remains strong, having secured US\$20 million worth of contracts."

The Group's EPS for Q4FY07 rose 66.7% to 0.45 cents from 0.27 cents in the previous corresponding period, while that for the year ended FY07 fell from 6.27 cents to 3.21 cents from the same corresponding period. Its NAV per share also fell from 53.37 cents in FY06 to 51.03 cents in the same period.

The Group's balance sheet remains healthy. Cash and cash equivalent for the year ended FY07 stood at S\$21.3 million compared to S\$37.2 million in FY06. During the year, the Group increased its capital expenditure for the building of the Group's new UMS Aerospace facility in Singapore, and its new manufacturing campus in Penang.

Barring any unforeseen circumstances, the Group expects to remain profitable for FY08.

About UMS Holdings Limited

UMS Holdings Limited engages in manufacturing of mission-critical high precision components, and complex electromechanical assembly and final testing, and serves the semiconductor equipment manufacturers, aerospace and oil field precision component manufacturers and other industries.

Headquartered in Singapore, the Group runs production facilities in Singapore, Malaysia and China as well as offices in Fremont and Austin, USA.

UMS Holdings has also gone into the aerospace and oil & gas sectors to capture the higher value-added manufactured components capitalizing on its core competencies in precision machining. Backed by an experience management team, the Group has attracted reputable fund management firms such as Arisaig and Barings to take substantial stakes in the company.

Issued on behalf of UMS Holdings Limited

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