



Company Registration No.: 200100340R

UMS HOLDINGS'S NET PROFIT ROSE TO S\$4.6 MILLION IN 1QFY10 AS REVENUE MORE THAN DOUBLED TO S\$24.7 MILLION

- NET PROFIT TRIPLED FROM Q4FY09
- THIRD CONSECUTIVE QUARTER OF PROFIT UPTREND SIGNALS STRONG REBOUND IN GLOBAL SEMICONDUCTOR SALES

Singapore, May 7, 2010 – Main board-listed **UMS Holdings Limited** (“**UMS**” or “**The Group**”), a leading manufacturer of mission-critical high precision components for the semiconductor industries, posted a net profit of S\$4.6 million for the first quarter of FY2010 (1QFY10) representing a sharp rebound from a loss of S\$2.7 million in 1QFY09.

Compared to Q4FY09, net profit was up by 304% from S\$1.1 million. The sterling results in 1QFY10 – the third consecutive quarter of profit growth – was mainly due to the improved revenue, as well as the absence of inventory provision this quarter as compared to 1QFY09 as risk of obsolescence or excess diminishes.

Group revenue rose 114% to S\$24.7 million from S\$11.6 million in 1QFY10 and 45% from S\$17 million in 4QFY09.

The increase in revenue came in the wake of continued robust recovery in global semiconductor sales. The worldwide economic recovery is boosting consumer spending for faster and more energy efficient technology chips, driven by increased demand for personal computers, cell phones and industrial applications.

To meet the increasing orders for semicon equipment, the Group's expenses such as personnel expenses, raw material purchases, sub-contractors charges and other expenses have gone up, in line with the higher production volume during 1QFY10.

Cash flow

The Group continued to strengthen its financial position.

The Group generated positive net cash from operating activities of S\$2.5 million in Q1FY10, representing an estimated 20-fold increase, from the S\$0.1 million generated in 1QFY09.

The net increase in cash was attributed to the higher net retention of revenue. The cash conversion ratio (as % of PBT) was lower than previous quarters mainly due to an increase in working capital, especially higher inventory, to support the revenue growth. The Group also made partial repayment of term loans in Malaysia and capex payments for its production facilities.

Cash and cash equivalents at the end of the period stood at S\$21.9 million for 1QFY10, a 25% increase compared to S\$17.5 million in 1QFY09.

Group net earnings per share (EPS) at end 1Q FY2010 jumped to 1.30 cents, up from 0.32 cents for 4QFY09. The Group's net asset value (NAV) stood at 47.37 cents as at 31 March 2010, compared to the 45.97 cents in 31 December 2009.

Segmental Analysis

The Group's semiconductor business segment saw strong turnover growth in 1QFY10, up 278% to S\$24.2 million from S\$6.4 million in 1QFY09. Compared to 4QFY09 turnover of S\$16.7 million, the sales growth in 1QFY10 was 45% as the Group continues to benefit from the significant recovery in the semicon business.

The Group's Contract Equipment Manufacturing (CEM) sales fell to S\$0.5 million in 1QFY10, from S\$5.1 million in 1QFY09. However, compared to sales of S\$0.3 million achieved in 4QFY09, the CEM division enjoyed a revenue improvement of 70%.

Geographical Analysis

In terms of geographical performance, revenue in Singapore increased by more than 10-fold to S\$13 million in 1QFY10, compared to S\$0.6 million 1QFY09. Compared to 4QFY09's sales of S\$1.8 million, the increase was 610% - reflecting the continued rise in demand from the Groups' semicon customers - including a major semiconductor giant that had recently established its new production facility in Singapore.

"Other" markets such as Europe, Taiwan and Malaysia reported a 52% increase from S\$2.6 million in 1QFY09 to S\$4 million in 1QFY10, mainly due to demand for more shipments to customers in Taiwan and China in the semiconductor industry.

The exception was the Group's largest geographical market - the United States of America (US) that reported a 6% sales dip to S\$7.8 million in 1QFY10 from S\$8.3 million in 1QFY09.

Group Outlook

According to SEMI Consensus Forecast - analyst predictions are for double-digit increase in global semiconductor revenues, and year-over-year capital spending growth in excess of 50%, accompanied by a major rebound for semiconductor equipment and materials markets. SEMI forecasts the North American equipment market to top \$4.4 billion in 2010.

The report also showed that chipmakers anticipate significant spending increases in advanced chip geometries and 3D IC technologies, while emerging markets in MEMS, LEDs and flexible electronics are expecting breakthrough record years.

Mr. Andy Luong, Founder and Chief Executive Officer of UMS, said: "We are off to an excellent start for the year - UMS posted solid first quarter results led by robust sales in our semiconductor equipment business. With global demand improving and the additional capacity from our fully operational Penang facility, the Group is entering its second quarter with considerable momentum. We are therefore confident of a much-improved performance for FY2010.

We will leverage on our strengths as a one-stop vertical integration company and in supply chain management to take advantage of the new dynamics in the global semiconductor industry to propel growth forward."

About UMS Holdings Limited

Incorporated in Singapore on January 17, 2001, UMS Holdings Limited is a one-stop strategic integration partner providing equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products.

The products we offer include modular and integration system for original semiconductor equipment manufacturing.

Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia as well as office in California, USA.

Issued on behalf of UMS Holdings Limited

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