



Company Registration No.: 200100340R

## **UMS HOLDINGS CONTINUES ITS PROFIT UPTREND FOR 4QFY09**

- **Profit soared to S\$1.1 million in 4QFY09 – up almost 10 fold from S\$0.12 million in 3QFY09**
- **Revenue rose by 49% to S\$17 million from S\$11.4 million in 3QFY09**
- **Better performance due to improved global semiconductor industry**
- **Proposed Dividend of 1.0 cents a share for FY09**

**Singapore, March 1, 2010** – Main board-listed **UMS Holdings Limited** (“**UMS**” or “**The Group**”), a leading manufacturer of mission-critical high precision components for the semiconductor industries, today reported continued profit growth in its 4QFY09 performance. Net profit increased to S\$1.1 million in 4QFY09 from S\$119,000 in 3QFY09.

Revenue rose by 49% to S\$17 million in 4QFY09 from S\$11.4 million in 3QFY09 as the Group continued to enjoy significant recovery in semiconductor business volume.

The continued upturn in profit -- the second consecutive quarterly rise -- was mainly due to the recovering industry, as well as the improving global demand for new semicon equipment to produce new, faster and more energy efficient DDR chips.

On a quarterly basis, Group revenue eased by 3% to S\$17 million in 4QFY09 compared to S\$17.5 million reported in 4QFY08. The lower revenue for 4QFY09 is mainly due to the decrease in CEM sales, which arose from softer contributions from its oil and gas business and the Group’s decision to exit from the HDD industry. However, the lower sales from the CEM segment were mitigated by the strong increase in semiconductor business volume in 4QFY09.

Despite the lower revenue, net profit increased significantly by 78% to S\$1.1 million in 4QFY09 from S\$0.6 million recorded in 4QFY08. This is mainly due to the income tax credit of S\$472,000 in 4QFY09 compared to a tax expense of S\$905,000 in 4QFY08.

On a full year basis, the Group reported a net loss of S\$24.3 million for 2009, compared to a net profit of S\$1.8 million in FY2008. The net loss was mainly attributable to the non-cash impairment of goodwill, which amounted to S\$20 million, lower sales and forex differences resulting from a weaker US currency recorded in the period under review.

Excluding the impairment of goodwill, the net loss would have narrowed to S\$4.3 million for the full year ended 31 December 2009.

### **Cash flow**

The Group continued to strengthen its financial position.

The Group generated positive net cash from operating activities of S\$9 million in 4QFY09. This represents a 287% growth from the S\$2.3 million generated in 3QFY09. The net increase in cash was mainly attributed to the higher revenue.

Cash and cash held by the Group stood at S\$24.5 million for 4QFY09, a 39% increase compared to S\$17.6 million in 3QFY09. Compared to 4QFY08, the increase was 30%.

Group net earnings per share (EPS) at end 4QFY09 were 0.32 cents, a jump from 0.18 cents for 4QFY08. The Group's net asset value (NAV) stood at 45.97 cents as at 31 December 2009, compared to the 53.44 cents in the previous corresponding year.

To reward shareholders, the Group has proposed a dividend payout of 1.0 cents per share for the year ended 31 December 2009.

### **Segmental Analysis**

For the whole year ended 31 December 2009, sales in the semiconductor segment decreased 45% to S\$39.9 million, mainly due to the soft global semiconductor industry in the first half of 2009.

However, with the recovery in the global semicon industry in the second half of 2009, the Group's semiconductor business segment soared to S\$16.7 million in 4QFY09, signifying a 49% increase from S\$11.1 million generated in 3QFY09, and a 26% increase from S\$13.3 million generated in 4QFY08.

The Group's Contract Equipment Manufacturing (CEM) sales fell 65% to S\$7.4 million in FY2009 from S\$20.9 million in FY2008, due to softer sales in the oil and gas sector and the Group's strategic decision to exit the HDD business.

The Group will undertake oil and gas projects on a selective basis.

## **Geographical Analysis**

In terms of geographical performance, revenue in Singapore increased 64% in 4QFY09 compared to 4QFY08, due to the surge of semicon shipment to customers.

The Group's largest geographical market - the United States of America (US) reported a jump in sales from S\$6.6 million in 3QFY09 to S\$12.5 million in 4QFY09. This represents a quarter-on-quarter surge of 90%, and a 20% increase from 4Q2008, as the semicon industry recovery picked up speed during the last quarter of 2009.

But for the full financial year, revenue from Singapore and US decreased by 48% and 54% respectively, due mainly to the soft semiconductor market globally in the first half of 2009.

"Other" markets such as Europe, Taiwan and Malaysia reported a 29% decrease from S\$14.5 million in FY2008 to S\$10.3 million in FY2009, mainly due to the slowdown of shipment to clients in the solar industry and oil and gas business.

## **Group Outlook**

After contracting an estimated -11.5 percent in 2009 to \$220.1 billion, the global semiconductor market is expected to post growth of 12.2% to \$246.9 billion in 2010, according to World Semiconductor Trade Statistics (WSTS). The reports also stated that the Asia Pacific region is expected to continue to be the fastest growing region, increasing at 8.2% and potentially reaching sales of US\$107.6b in 2010.

For 2010, both WSTS and SIA have projected worldwide rebound of semiconductor sales with growth of about 6.5-7.3%.

The Semiconductor Equipment and Materials International (SEMI) also projects Worldwide Semiconductor Equipment Sales to grow 53% in 2010. The wafer processing equipment market is expected to rebound 54 percent in 2010 and 28 percent in 2011 to reach \$23.6 billion while the market for assembly and packaging equipment will grow to reach \$2.4 billion in 2011.

Said Mr. Andy Luong, Founder and Chief Executive Officer of UMS, "There is certainly a positive upturn going forward in 2010. We are seeing improvements in the market, and the Company's order book is full, having secured orders up to 2Q FY2010.

We have made the right strategy in the downturn by expanding the Group's facilities in Penang, Malaysia, and we now have ready capacity to ramp up production to meet any increase in orders from our customers.

The Group will also work towards growing recurring income from the supply of parts and consumables to customers. We believe that our strategy of focusing on core competencies in the original semiconductor equipment manufacturing sector, as well as undertaking selected oil and gas projects as a supportive business, will stand the Group in good stead over the long term.

We will also be undertaking more integration projects and work as a strategic partner for our customers, as this will allow UMS to gain better control and derive efficiencies of scale, by leveraging on our supply chain management.

As we move forward, we are optimistic. We intend to extend the Group's healthy dividend track record by proposing a final dividend of 1.0 cents per share for FY2009. We are pleased that we have continuously rewarded shareholders for their sustained support of the Group – despite challenging times in the past. We welcome their continued support in the coming years.

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#### **About UMS Holdings Limited**

SGX main board-listed UMS Holdings Limited provides equipment manufacturing and engineering services to Original Equipment Manufacturers of semiconductors and related products.

Incorporated in Singapore on 17 January 2001, the company has its Headquarter in Singapore and has production facilities in Singapore, Malaysia as well as office in California, USA.

#### **Issued on behalf of UMS Holdings Limited**

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