



Company Registration No.: 200100340R

SGX-listed UMS' 3Q2010 net profit rises from S\$0.2m to S\$7.6m; announces 3Q dividend of 1.0 cent

- 3Q2010 revenue up three-fold to S\$35.2m vs 3Q2009, led by sharp rise in sales of higher-value integrated semiconductor systems
- 9M2010 net profit of S\$19.7m on 9M2010 revenue of S\$95.2m, reversing loss of S\$25.5m in 9M2009
- Net cash from operations up to S\$11.9m from S\$2.3m
- Outlook: Customer forecasts for orders for next 2 quarters remained strong

September 30	3Q2010 S\$'000	3Q2009 S\$'000	Change %	9M2010 S\$'000	9M2009 S\$'000	Change %
Turnover	35,222	11,406	209	95,230	30,271	215
CEM	3,286	278	1082	8,372	7,032	19
Semicon	31,936	11,128	187	86,858	23,239	274
Net Profit						
Before Tax	9,463	60	15672	24,535	(26,007)	N.M
After Tax	7,585	119	6274	19,687	(25,471)	N.M
Basic EPS (cents)	2.20	0.03	7233	5.62	(7.19)	N.M

SINGAPORE, 10 November 2010 – UMS Holdings Limited (“UMS” or the “the Group”) announced today an increase in net profit after tax from S\$0.2 million to S\$7.6 million for the July-September 2010 (“3Q2010”) compared to 3Q2009, propelled by sales of higher-value integrated semiconductor systems which also lifted net profit margin above 20%.

The SGX Mainboard-listed strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers said the net profit growth was achieved on the back of a 209%-increase in revenue to S\$35.2 million from S\$11.4 million in 3Q2009.

UMS has been working closely with a major customer to produce more integrated systems as opposed to semiconductor equipment components. Demand for these systems has been rising sharply in line with global pent-up demand. While this strategy was put in place since FY2008, its contributions to financial performance have been felt most strongly in FY2010.

Net profit margin soared to 21% from 1.0% and net operating cash flow rose to S\$11.9 million from S\$2.3 million over the comparative periods.

The Semiconductor (“Semicon”) segment contributed 90.7% of Group revenue in 3Q2010, amounting to S\$31.9M. This was 187% higher than S\$11.1M in 3Q2009. Revenue from the Contract Equipment Manufacturing (“CEM”) segment surged to S\$3.3M, 1082% higher than S\$0.3M recorded in a year earlier.

Singapore accounted for 52.2% of Group revenue in 9M2010, recording sales of S\$49.7M which were 1201% higher compared to S\$3.8M in 9M2009. This is because UMS recognises sales of higher-value semiconductor systems to a customer in Singapore while components are exported to various countries.

Revenue from USA increased by 59% to S\$30.0M, which is 31.5% of the Group’s revenue in 9M2010, from S\$18.9M, respectively. Other regions increased 105% to S\$15.5M, forming part of the 16.3%.

Earnings per share rose to 2.20 cents in 3Q2010, from 0.03 cent in 3Q2009. Net asset value per share increased to 50.36 cents as at 30 September 2010 from 45.97 cents as at 31 December 2009.

For the nine-month period ended 30 September 2010 (“9M10”), UMS’ revenue increased 215% to S\$95.2 million from S\$30.3 million in 9M09 and the Group reversed from a net loss to report net profit of S\$19.7 million over the comparative periods.

Concurrently, the Group also announced its first-ever 3Q dividend of 1.0 cent per share. This is in addition to an interim dividend of 1.0 cent declared in 2QFY10, bringing total dividend announced to date to 2.0 cents.

UMS’ Founder and Chief Executive Officer Mr. Andy Luong, said, “We are encouraged by the strengthening of our core business performance and remain committed to our business strategies. We are positioning ourselves better with increased focus on integrated systems which continue to gain traction. Additionally, our efforts to improve operational efficiencies and control costs helped to raise profit margins as well as improve operating cash flows,” he said.

Commenting on the outlook, Mr. Luong said, “While the overall trends are expected to remain positive, we believe that any global slowdown in the semiconductor business is likely to be accompanied by increased outsourcing of production to Asia. We have already positioned strategies to benefit from this trend.”

“Having embarked on a strategic shift to ride on this outsourcing trend, we expect to expand our geographical presence for manufacturing of components in markets such as South Korea. In line with our recent announcement of a potential dual listing on the Korean Stock Exchange, this will open up possible M&A opportunities,” he continued.

"As of now, customer forecasts for orders for the next 2 quarters remained strong. While our order book will keep us busy for the next two quarters, we remain on the lookout for opportunities from outsourcing of production by U.S. or European semiconductor firms to lower-cost destinations such as Singapore.", he concluded.

The Group will be profitable in FY2010.

#End of Release#

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.

UMS Group makes high precision components and is also involved in complex electromechanical assembly and final testing services. The products we offer include modular and integration system for original semiconductor equipment manufacturing. Other industries that we also support include the electronic, machine tools and oil and gas.

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

Issued on behalf of the company by WeR1 Consultants Pte Ltd

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