



Company Registration No.: 200100340R

SGX-listed UMS' 1H2011 net profit up 21% to S\$14.6 million, proposes 2Q interim dividend of 1.0 cent

- **1H2011 revenue also up 13% to S\$67.6m from S\$60.0m in 1H2010 led by Semicon business that contributed S\$64.2 million from S\$54.9 million**
- **Positive net cash from operations in 2Q2011 up to S\$12.3m from S\$3.8m in 2Q2010, strong cash conversion ratio of 145%**

SINGAPORE, 4 August 2011—SGX Mainboard-listed UMS Holdings Limited (“UMS” or “the Group”), a strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers, announced today that its net profit attributable to equity holders for the first six months ended 30 June 2011 (“1H2011”) has risen 21% to S\$14.6 million from S\$12.1 million, a year ago.

The Directors have also proposed an interim dividend of 1.0 cent per ordinary share (tax exempt one tier), bringing UMS' total dividend till-date in 2011 to 2.0 cents per ordinary share (including 1Q2011 dividend of 1.0 cent per ordinary share already paid out).

UMS attributed the strong 1H2011 bottom line growth to a 13% increase in 1H2011 revenue to S\$67.6 million from S\$60.0 million in 1H2010 led by the Group's expanding Semiconductor Components and Integrated Systems (“Semicon”) business that contributed S\$64.2 million from S\$54.9 million even as the Contract Equipment Manufacturing (“CEM”) business contracted to S\$3.4 million from S\$5.1 million (on changes in product mix effected in 2Q2011).

Geographically as UMS' major customer increased outsourcing of production to lower-cost Asian countries and to be nearer to customers, Singapore emerged as the Group's largest market contributing S\$40.7 million from S\$32.0 million followed by Others accounting for S\$9.7 million from S\$9.1 million while revenue from the US declined to S\$17.2 million from S\$18.8 million, over the comparative periods.

However, on a three month basis, the Group's 2Q2011 net profit dipped by 6% to S\$7.0 million, on lower 2Q2011 revenue of S\$32.7 million as the CEM business shrank on product mix changes and the Group had to make larger provisions for inventories and incur higher forex losses on a weakening US dollar.

In 2Q2010, UMS had reported S\$7.5 million net profit on S\$35.3 million revenue.

UMS' Founder and Chief Executive Officer, Mr. Andy Luong, said, "UMS' performance for the first six months of 2011 has been in line with our expectations. Despite the uncertain nature of the global economy over the next six months, with this solid foundation, we will try to create new opportunities to keep moving ahead."

During the period under review, UMS continued to step up collections to generate positive net cash from operating activities of S\$12.3 million, an increase of S\$8.5 million from S\$3.8 million a year ago. Similarly, free cash flow of almost S\$10.2 million led to a cash conversion ratio (as a percentage of net profit) of 145%, up from 123% three months ago.

Accordingly, cash and cash equivalents also doubled to S\$22.5 million at end June 2011 compared to S\$11.1 million at end June 2010.

Earnings per share, on a fully diluted basis, rose to 4.24 cents in 1H2011 (on 343,754,327 shares), from 3.42 cents in 1H2010 (on 352,667,558 shares). Net asset value per share remained mostly unchanged at 52.03 cents as at 30 June 2011 (on 343,754,327 shares), from 52.05 cents as at 31 December 2010 (on 343,754,327 shares).

On Group outlook, UMS recognises that the operating environment appears to be more challenging.

While July has seen UMS' facilities quite busy with orders that have also been shipped out (already forecasted in May), the Group is working closely with its major customer to monitor the forecast and demand situation for the next few months.

"At the same time, on the corporate front, we will be working towards timing our proposed Korean dual listing appropriately and will also continue to be on the lookout for developing our business portfolio," added Mr Luong.

#End of Release#

PN: This press release is to be read in conjunction with the related mandatory announcement filed by UMS on SGX net.

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 Group is in the business of front end semi-conductor equipment contract manufacturing and is also involved in complex electromechanical assembly and final testing devices. 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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