



Company Registration No.: 200100340R

UMS HOLDINGS REMAINS PROFITABLE FOR Q4FY08 and FY2008

- **Proposes a final dividend of 0.50 cent per share less tax**
- **Group maintains 62.1% gross material margin for FY08 and cash positive**
- **Q4FY08 net profit of S\$0.643 million and turnover of S\$17.5 million**
- **Full Year net profit of S\$1.81 million and turnover of S\$93.4 million**

Singapore, February 24, 2009 – Mainboard-listed **UMS Holdings Limited** (“**UMS**” or “**The Group**”) continues to be profitable for Q4FY08 and the full year ended December 31, 2008 despite the current continued downturn in the global semiconductor industry.

The Group posted a 63% dip in net profit to S\$0.643 million on a 44% decline in turnover to S\$17.5 million for Q4FY08. This stemmed from the softer demand for semiconductor equipment.

Subsequently, net profit for FY08 came to S\$1.81 million, or 85% less from its previous corresponding period in FY07. The Group’s total revenue for the year also fell 32% to S\$93.4 million.

“In spite of lower sales and higher competitive pressures, we were able to maintain gross material margins of about 62.1% for FY08. This is a reflection of our strong track record as a reliable manufacturer and supplier of quality products and services to our customers. The overall gross material margins were also bolstered by the Group’s new product and sales mix, and higher contributions from our oil and gas projects”, said Mr Andy Luong, UMS’ Chief Executive Officer.

The Group continued to generate positive cash flow from operating activities, with cash in hand of S\$18.8 million at the end of FY08. The 11.4% dip in cash compared to FY07 was due to capital expenditure on machinery for UMS Aerospace, and the building of the Group’s new facilities in Penang. The Group also acquired 39.3 million

UMS shares under the Group's share buy-back scheme, and paid a dividend of S\$3.6 million to shareholders in the first half of FY08.

As a result of the Group's lower net profit, its Earnings Per Share (EPS) fell from 0.45 cents in Q4FY07 to 0.18 cents in Q4FY08. However, the Group's Net Asset Value (NAV) rose from 51.03 cents in FY07 to 53.44 cents in FY08.

The Group has proposed a final dividend of 0.50 cents per share in line with its continuous and consistent efforts to reward shareholders for their support.

Segmental Analysis

Both the Group's core businesses in semiconductor and contract equipment manufacturing (CEM) posted lower sales and earnings.

Revenue contribution from the Group's semiconductor business declined by 47% to S\$13.3 million in Q4FY08. On a full year basis, sales from the semiconductor business fell 34.1% to S\$72.4 million for FY08, compared to same comparative periods in FY07.

Likewise, revenue contribution from the CEM division also shrank by 34.4% in Q4FY08 to S\$4.2 million, while that for FY08 eased 26.2% to S\$20.9 million.

Geographical Analysis

Geographically, all markets except Malaysia reported lower sales in FY08 and Q4FY08 compared to their previous corresponding periods.

In Q4FY08, Malaysia's revenue contribution rose 43.3% to S\$2.2 million from S\$1.6 million in Q4FY07. For FY08, it jumped 80.2% to S\$8.5 million from S\$4.7 million in FY07. The higher sales were mainly due to rising orders from a key customer as well as increase in transfer of high volume businesses to Penang. This is in line with the Group's vision of focusing the bulk of its production there, while Singapore will serve as its corporate headquarters, the centre for R&D, and other higher value-added operations.

Group Outlook

Looking ahead, the Group expects the global semiconductor industry to remain soft for FY2009, due to slower demand for semiconductor equipment and pressure from customers to adjust pricing.

A Gartner report released in October 2008 expects the current slowdown to continue into 2009 before the industry recovers in 2010. The Semiconductor Industry Association (SIA) also anticipates a dip in worldwide semiconductor sales by 5.6% from about US\$261.2 billion in 2008 to US\$246.7 billion in 2009.

Said Mr. Luong, “The outlook for the coming months is also unclear as customers can only project on a short-term basis, thus making forward sales forecasts more difficult.”

Despite the rising pressure, UMS stands to benefit from the consolidation in the global market, its strong business relationships with its key global customers, and other cost-cutting measures.

Mr. Luong explained, “As weaker competitors and suppliers face increasing difficulty to sustain themselves, UMS will be in a good position to expand our market share. With our stable financial position and low gearing, we are well placed to seize opportunities for growth in the long term.”

“The Group’s facilities in Penang are also ready, placing us in a good position to ramp up our capacity when the economic recovery takes place. UMS is also well poised to benefit from the continued strong business relationship with our key customer who is beefing up its presence in Singapore and Asia. Its headquarters in Singapore is expected to be completed and operational in late 2009.”

“The Group will also balance its product portfolio with more contracts from relatively less affected industries such as oil and gas to mitigate the impact of the soft semiconductor industry.”

Barring any unforeseen circumstances and, having taken into account the management’s internal forecast, the Board of Directors expects the Group’s performance to be weaker in FY09.

About UMS Holdings Limited

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

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

UMS Holdings has also launched into the oil & gas sector to capture the higher value-added manufactured components capitalizing on its core competencies in precision machining.

Issued on behalf of UMS Holdings Limited

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