

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**First Quarter Financial Statement And Dividend Announcement**

**PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR ANNOUNCEMENTS**

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

**UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 31 March 2011**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Revenue</b>	<b>34,957</b>	<b>24,734</b>	<b>41%</b>
Net financial expense (Note (a))	(57)	(178)	-68%
Changes in inventories	4,466	6,266	-29%
Raw material purchases and sub-contractors charges	(20,824)	(18,417)	13%
Employee benefits expense	(3,248)	(2,742)	18%
Depreciation expense	(2,726)	(2,852)	-4%
Other expenses (Note (b))	(2,877)	(2,199)	31%
Other (charges)/ credits (Note ( c))	(663)	957	N.M
<b>Profit before income tax</b>	<b>9,028</b>	<b>5,569</b>	<b>62%</b>
Income tax expense (Note (d))	(1,475)	(947)	56%
<b>Profit for the period from continuing operations</b>	<b>7,553</b>	<b>4,622</b>	<b>63%</b>
<b>Attributable to:</b>			
Equity holders of the Company	7,553	4,622	63%
Minority interests	-	-	N.M
	<b>7,553</b>	<b>4,622</b>	<b>63%</b>
Earnings per ordinary share (in cents)			
- basic and diluted	2.20	1.30	69%

## **NOTES TO INCOME STATEMENT**

### **Note (a) Net financial expense**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest income	10	4	150%
Interest expense	(67)	(182)	-63%
Financial expense - net	(57)	(178)	-68%

### **Note (b) Other expenses**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Legal and professional fees (Note (i))	(388)	(64)	506%
Rental expense (includes leasing of land)	(372)	(364)	2%
Utilities (Note (ii))	(1,022)	(946)	8%
Freight charges (Note (ii))	(202)	(156)	29%
Upkeep of properties	(45)	(75)	-40%
Upkeep of machinery (Note (iii))	(350)	(242)	45%
Others	(498)	(352)	41%
	(2,877)	(2,199)	31%

Note 1(a)(b) (i) - The increase in legal and professional fees were mainly due to fees incurred in connection with the Company's dual listing in Korea. No such fees were incurred in Q12010.

Note 1(a)(b) (ii) - The increase in utilities and freight charges were mainly due to higher production volume during the period.

Note 1 (a)(b)(iii) – The increase in the upkeep of machinery was mainly due to the increased machinery maintenance carried out and as a result of higher production volume during 1Q2011.

**Note (c) Other (charges)/ credits**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
(Loss) /Gain on exchange difference	(818)	808	-201%
Gain on disposal of assets classified as held for sale (Note (i))	-	36	-100%
Write back provision for obsolete stock	31	-	N.M
Others	124	113	10%
	<b>(663)</b>	<b>957</b>	<b>N.M</b>

Note 1(a)(c) (i) - This relates to the disposal of factory building in Penang, Malaysia in January 2010.

**Note (d) Income tax**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Income tax:			
- Current	(1,475)	(947)	56%
- Deferred tax	-	-	N.M
	<b>(1,475)</b>	<b>(947)</b>	<b>56%</b>

**1(b)(i) A statement of financial position (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	31 Mar 2011 S\$'000	31 Dec 2010 S\$'000	31 Mar 2011 S\$'000	31 Dec 2010 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note (ii))	27,998	20,532	4,732	3,394
Trade receivables and other current assets (Note (iii))	12,637	19,505	5,811	1,920
Inventories (Note (iv))	38,962	34,505	-	-
	<u>79,597</u>	<u>74,542</u>	<u>10,543</u>	<u>5,314</u>
Asset classified as held for sale (v)	4,416	4,416	-	-
	<u>84,013</u>	<u>78,958</u>	<u>10,543</u>	<u>5,314</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	162,904	162,904
Property, plant and equipment	67,709	65,501	-	-
Investment property	3,558	3,614	-	-
Financial assets, held-to-maturity	4,415	4,490	-	-
Goodwill	60,702	60,702	-	-
	<u>136,384</u>	<u>134,307</u>	<u>162,904</u>	<u>162,904</u>
<b>Total Assets</b>	<b>220,397</b>	<b>213,265</b>	<b>173,447</b>	<b>168,218</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	18,256	18,471	7,630	1,708
Income tax payable	5,748	4,498	-	-
Current portion of finance leases obligation (Note (vi))	3,929	4,474	-	-
	<u>27,933</u>	<u>27,443</u>	<u>7,630</u>	<u>1,708</u>
<b>Non Current Liabilities</b>				
Deferred taxation	3,024	3,026	-	-
Finance leases obligation (Note (vi))	1,822	2,665	-	-
Long-term provision *	1,200	1,200	-	-
	<u>6,046</u>	<u>6,891</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b>33,979</b>	<b>34,334</b>	<b>7,630</b>	<b>1,708</b>
<b>Capital and Reserves</b>				
Share Capital	136,623	136,623	136,623	136,623
Other components of equity	(1,094)	(1,028)	85	85
Retained earnings	50,889	43,336	29,109	29,802
<b>Total equity</b>	<b>186,418</b>	<b>178,931</b>	<b>165,817</b>	<b>166,510</b>
<b>Total liabilities and equity</b>	<b>220,397</b>	<b>213,265</b>	<b>173,447</b>	<b>168,218</b>

\* Provision for reinstatement of leased premises.

**Note 1 (b)(i)(i) Investment in Subsidiaries**

The details of the subsidiaries as at 31 March 2011 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Mar 2011 %	31-Dec-2010 %	31-Mar-2011 S\$'000	31-Dec-2010 S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
NCS Engineering Pte Ltd (Singapore)	100	100	403	403
UMS Pte Ltd (Singapore)	100	100	126,983	126,983
Ultimate Manufacturing Solutions (Suzhou) Co., Ltd (The People's Republic of China)	100	100	2,102	2,102
ASL International Trading, Inc (United States)	100	100	33	33
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
UMS Solar Pte Ltd (Singapore)	100	100	10	10
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	6,232	6,232
Unquoted equity shares, at cost			166,124	166,124
Add: expenses recognised relating to equity settled share-based payments			42	42
Add: corporate guarantee given to subsidiaries			56	56
Less: Provision for impairment			(3,318)	(3,318)
			162,904	162,904
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
A1 Metal Sdn. Bhd. (Malaysia)	100	100		

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$7.5 million was mainly due to profits generated and better collections during the period.

Note 1(b)(i)(iii) – The decrease in trade and other receivables by S\$6.9 million was due to the reclassification of some prepayment amounts to plant and equipment, and good collection efforts during the period.

Note 1(b)(i)(iv) – The increase in the inventories by S\$4.5 million was due to higher purchases to meet customer orders in the coming months.

Note 1(b)(i)(v) – One factory building in Singapore is presented separately as ‘Asset classified as held for sale’ in the balance sheet following the decision of management to sell to a third party in FY 2011.

Note 1(b)(i)(vi) – The total decrease in finance lease obligation by S\$1.4 million was due to repayments made during the period.

**1(b)(ii) Aggregate amount of group’s borrowings and debt securities**

Amount repayable in one year or less, or on demand

As at 31 Mar 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
3,929	-	3,929	4,474	-	4,474

Amount repayable after one year

As at 31 Mar 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
1,822	-	1,822	2,665	-	2,665

**Details of any collateral**

The Group’s borrowings comprise only finance leases. The finance leases are secured by mortgages over the plant and machinery of a subsidiary.

- 1(c) **A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	<b>Group</b>	
	<b>3 Months Ended</b>	
	<b>31-Mar-11</b>	<b>31-Mar-10</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Cash flows from operating activities</b>		
Net profit before income tax	9,028	5,569
Adjustments for:		
Depreciation expense	2,726	2,852
Write back provision for obsolete stock	(31)	-
Gain on disposal of assets classified as held for sale	-	(36)
Interest income	(10)	(4)
Interest expense	67	182
Unrealised foreign exchange adjustment loss/ (gain)	54	(693)
<b>Operating cash flow before working capital changes</b>	<b>11,834</b>	<b>7,870</b>
Changes in operating assets and liabilities:		
Trade and other receivables	6,940	(1,839)
Inventories	(4,426)	(6,266)
Trade and other payables	148	2,705
<b>Cash generated from operations</b>	<b>14,496</b>	<b>2,470</b>
Income tax paid	(224)	-
<b>Net cash generated from operating activities</b>	<b>14,272</b>	<b>2,470</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(4,988)	(1,020)
Proceeds from disposal of assets classified as held for sale	-	706
Interest received	10	4
<b>Net cash used in investing activities</b>	<b>(4,978)</b>	<b>(310)</b>
<b>Cash flows from financing activities</b>		
Repayment of borrowings	-	(3,008)
Finance leases obligation - net	(1,388)	(424)
Fixed deposit - restricted	(1)	(10)
Interest paid	(67)	(182)
<b>Net cash used in financing activities</b>	<b>(1,456)</b>	<b>(3,624)</b>
Net effect of exchange rate changes	(373)	(1,111)
Net increase /(decrease) in cash and cash equivalents	7,465	(2,575)
Cash and cash equivalents at beginning of the period	20,298	24,497
<b>Cash and cash equivalents at end of the period</b>	<b>27,763</b>	<b>21,922</b>
Fixed deposit - restricted in use	235	191
<b>Cash and cash equivalents in the Balance Sheet</b>	<b>27,998</b>	<b>22,113</b>

- 1(d) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group		
	3 Months Ended		
	31-Mar-11 S\$'000	31-Mar-10 S\$'000	Change %
<b>Profit for the period</b>	7,553	4,622	63%
Currency translation (loss)/ gain	(66)	332	-120%
<b>Total comprehensive income for the period</b>	<b>7,487</b>	<b>4,954</b>	<b>51%</b>
<b>Attributable to:</b>			
Equity holders of the Company	7,487	4,954	51%
Minority interests	-	-	N.M
	<b>7,487</b>	<b>4,954</b>	<b>51%</b>



1(e)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Share Capital S\$'000	Treasury Shares S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
<b>Group</b>						
As at 1 January 2010	152,822	(13,494)	51	(1,555)	25,008	162,832
<b>Changes in equity for first quarter</b>						
Profit for the period	-	-	-	-	4,622	4,622
Other comprehensive income for the period	-	-	-	332	-	332
<b>Total comprehensive income for the quarter</b>	-	-	-	332	4,622	4,954
Cancellation of shares	(13,494)	13,494	-	-	-	-
<b>As at 31 March 2010</b>	<b>139,328</b>	<b>-</b>	<b>51</b>	<b>(1,223)</b>	<b>29,630</b>	<b>167,786</b>

	Share Capital S\$'000	Treasury Shares S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
<b>Group</b>						
As at 1 January 2011	136,623	-	51	(1,079)	43,336	178,931
<b>Changes in equity for first quarter</b>						
Profit for the period	-	-	-	-	7,553	7,553
Other comprehensive income for the period	-	-	-	(66)	-	(66)
<b>Total comprehensive income for the quarter</b>	-	-	-	(66)	7,553	7,487
<b>As at 31 March 2011</b>	<b>136,623</b>	<b>-</b>	<b>51</b>	<b>(1,145)</b>	<b>50,889</b>	<b>186,418</b>

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
<b>Company</b>					
As at 1 January 2010	152,822	(13,494)	85	5,177	144,590
<b>Changes in equity for first quarter</b>					
Loss for the period	-	-	-	(291)	(291)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(291)	(291)
Cancellation of shares	(13,494)	13,494	-	-	-
<b>As at 31 March 2010</b>	<b>139,328</b>	<b>-</b>	<b>85</b>	<b>4,886</b>	<b>144,299</b>

Company	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
As at 1 January 2011	136,623	-	85	29,802	166,510
<b>Changes in equity for first quarter</b>					
Loss for the period	-	-	-	(693)	(693)
Total comprehensive expenses for the quarter	-	-	-	(693)	(693)
As at 31 March 2011	136,623	-	85	29,109	165,817

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles, as well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2010 to 31 March 2011.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2011 was 343,754,327 (31 December 2010: 343,754,327).

- 1(e)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.**

There was no treasury share as at 31 December 2010 and 31 March 2011.

- 2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by our external auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).**

Not applicable.

- 4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2010.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of the change.**

The Group adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new and amended FRS that are relevant to the Group:

- (i) Revised FRS 24- Related Party Disclosures
- (ii) Amendments to FRS 107- Financial Instruments: Disclosures
- (iii) Amendments to FRS 1- Presentation of Financial Statements
- (iv) Amendments to FRS 103- Business Combinations under the improvement to FRS 2010
- (v) Amendments to FRS 27- Consolidated and Separate Financial Statements and the improvement to FRS 2010.

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

**6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.**

Earnings per share (EPS)	Group	
	3 Months Ended	
	31-Mar-11	31-Mar-10
(a) Based on weighted average number of outstanding ordinary shares in issue; and	2.20 cents	1.30 cents
(b) On a fully diluted basis	2.20 cents	1.30 cents

For Note 6 above, the basic earning per share for the latest and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 and 354,233,327 of outstanding ordinary shares. The diluted earnings per share for the latest and the previous corresponding period have been calculated based on 343,754,327 and 354,233,327 of outstanding ordinary shares respectively.

**7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.**

	Group		Company	
	31-Mar-11	31-Dec-10	31-Mar-11	31-Dec-10
Net asset per ordinary share based on existing issued share capital as at end of period reported on	54.23 cents	52.05 cents	48.24 cents	48.44 cents

For note 7 above, the net asset per outstanding ordinary share as at the latest period and as at the end of the previous financial year have been calculated based on 343,754,327 and 343,754,327 outstanding ordinary shares.

**8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion on the following:**

- (a) any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

**1Q 2011 Vs 1Q 2010**

	<b>Group</b>		
	<b>3 Months Ended</b>		
	<b>31-Mar-11</b>	<b>31-Mar-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	2,090	577	262%
Semiconductor (Semicon)	32,867	24,157	36%
	<b>34,957</b>	<b>24,734</b>	<b>41%</b>
<b>Geographical Regions</b>			
Singapore	20,018	12,957	54%
United States of America ('US')	9,833	7,807	26%
Others	5,106	3,970	29%
	<b>34,957</b>	<b>24,734</b>	<b>41%</b>

For the three months ended 31 March 2011 ("1Q2011"), UMS continued to benefit from the growth initiatives implemented since FY2009 to shift emphasis towards higher-value systems assembly and to ride on the global outsourcing trend.

**Revenue**

1Q2011 revenue rose 41% to S\$35.0 million from S\$24.7 million in 1Q2010, and was also 3% higher than S\$33.8 million achieved in 4Q2010 as our two main business divisions – Contract Equipment Manufacturing ("CEM") and semiconductor components and systems ("Semiconductor") – continued to grow.

UMS' ongoing strategy to emphasise production and assembly of higher-value integrated semiconductor systems, coupled with strengthening demand from its major customer, lifted the Semiconductor segment by 36% to S\$32.9 million in 1Q2011 from S\$24.2 million in 1Q2010. Likewise, the CEM segment grew 262% to S\$2.1 million in 1Q2011 from S\$577,000 in 1Q2010.

Coinciding with this trend, as the same major customer also continued to increase outsourcing of production to lower-cost Asian countries such as Singapore and to be nearer to customers, revenue contribution from Singapore rose 54% to S\$20.0 million in 1Q2011 from S\$13.0 million in 1Q2010.

As this major customer also continued to experience strong orders from its overseas customers, our US market also registered a 26% increase in revenue to S\$9.8 million in 1Q2011 from S\$7.8 million in 1Q2010.

At the same time, strong global demand continued to increase revenue contribution also from our Other geographical segment which grew 29% to S\$5.1 million in 1Q2011 from S\$4.0 million in 1Q2010.

**Profitability**

Over the comparative periods, raw material costs and sub-contractor charges rose 13% to S\$20.8 million from S\$18.4 million and employee benefits costs increased by 18% to S\$3.2 million from S\$2.7 million in line with higher sales. Similarly, other expenses also rose 31% to S\$2.9 million in 1Q2011 from S\$2.1 million in 1Q2010 mainly due to professional fees incurred for the Group's intended Korea listing.

Despite the higher costs, 1Q2011 net profit attributable to shareholders rose 63% to S\$7.6 million in 1Q2011 from S\$4.6 million in 1Q2010, outpacing revenue growth. This resulted in increased margins which reflected the efficacy of our strategy to shift our sales mix towards higher-value systems. Net margins increased 2.9 points to 21.6% in 1Q 2011 from 18.7% in 1Q2010.

**Cash flow**

The Group generated positive net cash from operating activities of S\$14.3 million in 1Q2011, up S\$11.8 million from S\$2.5 million in 1Q2010.

Likewise free cash flow of almost S\$9.3 million led to a cash conversion ratio (as a percentage of net profit) of almost 123%. Cash conversion ratio is calculated as free cash flow divided by net profit. Free Cash Flow is calculated by taking net cash generated from operating activities and subtracting capital expenditures.

This was mainly attributable to the Group's good collection efforts during the period.

Accordingly cash and cash equivalents also rose S\$7.5 million to S\$27.9 million at the end of 1Q2011 compared to S\$20.5 million in 4Q2010.

**9 Where a forecast, or prospect statement has been previously disclosed to the shareholders, any variance between it and the actual results.**

We are in line with our previous announcement.

**10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.**

Consensus among industry analysts is that the global semiconductor industry will continue to grow in 2011, albeit not at the same rate as 2010. Much of the growth will be driven by electronics. The Consumer Electronics Association (CEA) is very upbeat about solid consumer electronics sales this year. Accordingly, these products are expected to grow 10% this year on the back of a 13% increase in 2010 to \$964 billion. The CEA believes that strong demand from the BRIC countries (Brazil, Russia, India and China), as well as moderate spending in developed countries will drive this growth. Smartphones, TVs and mobile computing products will be the hottest products this year.

This trend is supported by a 6 month order forecast from our major customer that is servicing this segment.

Given this, UMS is geared to push itself to the next level of growth propelled by our ongoing initiatives.

UMS believes that its growth initiatives implemented in the last two years have strengthened its value proposition to Western global players seeking to increase outsourcing of production to Asia.

UMS has re-positioned itself to ride on the trend to outsource to lower-cost geographies, having established operations in Singapore and Malaysia. In line with this strategy, it has already reaped the first fruits by increasing the manufacturing of higher-value integrated systems as opposed to reliance on components and spares previously.

In the last six months, these activities have started to gain further traction, with the second pillar of growth in semiconductor systems being relatively established, having contributed significantly to financial performance. This Group expects this to continue into FY2011 based on order indications from customers for the first six months of FY2011.

At the same time, our proposed Korean Depository Receipts ("KDR") listing on the Korean Stock Exchange, if successful will enable us to expand into Korea.

As already effected, UMS intends to continue improving financial and operating efficiencies to increase the bottom line expansion from this anticipated growth.

Against this background and barring unforeseen circumstances, the Company is confident that its performance in FY2011 will be better than in FY2010.

**11 Dividend**

**(a) Current Financial Period Reported**

Any dividend declared for the current financial period reported on?

In relation to the first quarter ended 31 March 2011, the Board of Directors has declared an interim dividend of 1.00 cents per ordinary share (tax exempt one tier).

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend had been declared.

**(c) Date payable**

To be advised.

**(d) Books closure date**

To be advised.

12 **If no dividend has been declared/recommended, a statement to that effect.**

Not applicable.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

13 **Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

Not applicable.

14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Not applicable.

15 **A breakdown of sales as follows:**

Not applicable.

16 **A breakdown of total annual dividend (in dollar value) of the issuer's latest full year and its previous full year.**

Not applicable.

17 **Negative assurance on interim financial statements**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1Q 2011 financial results to be false or misleading in any material respect.

On behalf of the Board

**Soh Gim Teik**  
Chairman

**Luong Andy**  
Chief Executive Officer

**BY ORDER OF THE BOARD**

**Luong Andy**  
Chief Executive Officer  
10 May 2011