



Company Registration No.: 200100340R

SGX-listed UMS' 1Q2011 net profit soars 63% to S\$7.6m, outpacing revenue growth; proposes interim dividend of 1.0 cent

- **1Q2011 net margin rises to 21.6% from 18.7% in 1Q2010 on increasing sales mix towards higher-value systems**
- **1Q2011 revenue rises 41% to S\$35.0m from S\$24.7m in 1Q2010, also sequentially higher than 4Q2010 on sales of systems, increased outsourcing to Asia**
- **Positive net cash from operations up to S\$14.3m from S\$2.5m, strong cash conversion ratio of almost 123% and cash balances of S\$28.0m as at 31 March**
- **Outlook: Company confident that its performance in FY2011 will be better than FY2010**

SINGAPORE, 10 May 2011 – UMS Holdings Limited (“UMS” or “the Group”) announced today that its net profit attributable to equity holders for the three months ended 31 March 2011 (“1Q2011”) soared 63% to S\$7.6 million from S\$4.6 million a year earlier, outpacing revenue growth. The Directors have also proposed an interim dividend of 1.0 cent per share.

Concurrently, 1Q2011 net margin rose to 21.6% from 18.7% in 1Q2010.

The SGX Mainboard-listed strategic integration partner in manufacturing and engineering for front-end semiconductor equipment manufacturers attributed its strong bottom-line growth to the successful shift in product mix since FY2008 to higher-value semiconductor systems instead of reliance on components and spares.

1Q2011 revenue increased 41% to S\$35.0 million from S\$24.7 million in 1Q2010, also 3% higher than S\$33.8 million in 4Q2010. The revenue growth was driven by both the Contract

Equipment Manufacturing ("CEM") and semiconductor components and systems ("Semiconductor") segments.

Accordingly, the Semiconductor segment grew 36% to S\$32.9 million in 1Q2011 from S\$24.2 million in 1Q2010, lifted by increasing demand for production and assembly of higher-value integrated semiconductor systems from UMS' major customer. The CEM segment grew 262% to S\$2.1 million in 1Q2011 from S\$577,000 in 1Q2010.

Geographically, as the same major customer continued to outsource more production to lower-cost Asian countries such as Singapore and to be nearer to customers, UMS' revenue 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, the Group's US market also registered a 26% increase in revenue to S\$9.8 million in 1Q2011 from S\$7.8 million in 1Q2010.

Strong global demand continued to increase revenue contribution from UMS' Others geographical segment as well which grew 29% to S\$5.1 million in 1Q2011 from S\$4.0 million in 1Q2010.

UMS' Founder and Chief Executive Officer, Mr. Andy Luong, said, "Our 1Q2011 performance continues to demonstrate the efficacy of the growth strategies we have been implementing over the last two years. We remain focused on additional opportunities, both internally and externally to support that growth. Hence while expanding sales, we have also managed to improve operational and financial efficiencies."

During the period under review, the Group stepped up collection of receivables and continued to generate positive net cash from operating activities of S\$14.3 million in 1Q2011, an increase of S\$11.8 million from S\$2.5 million in 1Q2010. Similarly, free cash flow of almost S\$9.3 million led to a cash conversion ratio (as a percentage of net profit) of almost 123%. 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.

Accordingly, cash and cash equivalents rose S\$7.5 million to S\$28.0 million at the end of 1Q2011 compared to S\$20.5 million in 4Q2010.

Earnings per share rose to 2.20 cents in 1Q2011 (on share capital base of 343,754,327 shares), from 1.30 cents in 1Q2010 (on 354,233,327 shares). Net asset value per share increased to 54.23 cents as at 31 March 2011 (on 343,754,327 shares) from 52.05 cents as at 31 December 2010 (on 343,754,327 shares).

On the Group's outlook, Mr Luong added, "UMS is geared to push itself to the next level of growth. Our ongoing growth initiatives have strengthened our value proposition to Western global semiconductor players that are increasing their outsourcing to Asia. Order forecasts from customers over the first six months of FY2011 can be expected to continue for the rest of FY2011."

"Our established operations in Singapore and Malaysia are advantaged to leverage on these growth trends," he continued.

"Also, our proposed Korean listing, if successful will enable us to expand into Korea," concluded Mr Luong.

Against this background, the Company is confident that its performance in FY2011 will be better than that of FY2010.

#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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