



Company Registration No.: 200100340R

UMS HOLDINGS RETURNS TO THE BLACK WITH NET PROFIT OF S\$119,000 ON IMPROVED TURNOVER OF S\$11.4 MILLION FOR 3QFY09

- **Revenue rose by 56% from Q2FY09**

Singapore, November 12, 2009 – Main board-listed **UMS Holdings Limited** (“**UMS**” or “**The Group**”), a leading manufacturer of mission-critical high precision components for the semiconductor and oil and gas industries, has reversed its losses in 3QFY09 with a net profit of S\$0.1 million on a turnover of S\$11.4 million.

Compared to 2QFY09, overall group revenue rose by 56% from S\$7.3 million. The increase in sales was due to the increased orders in the Group’s key semiconductor business. The group’s semiconductor sales almost doubled to S\$11.1 million in 3QFY09 compared to S\$5.7 million in 2QFY09.

As a result of improved sales and reduction in operating costs and expenses, UMS reversed its losses to achieve a net profit of S\$119,000 in 3QFY09.

However for the 9 months ended September 30, 2009, overall group revenue decreased by 60% to S\$30.3 million compared to the corresponding period last year. UMS also reported a net loss of S\$25.5 million for the period. The net loss was mainly attributable to impairment of goodwill, which amounted to S\$20 million as well as lower sales and forex differences resulting from a weaker US currency recorded in the period under review.

The Group undertook effective cost cutting measures, which resulted in significant decrease in cost and expenses. Staff costs fell 74%, while net financial expenses and other expenses were reduced by 62% and 44% respectively in 3QFY09 compared to 2Q09.

The Group generated positive net cash from operating activities of S\$2.3 million for this quarter. Cash and cash equivalents have also increased to S\$17.9 million.

However, cash levels softened to S\$17.9 in 3QFY09 compared to S\$20.2 million in 2QFY09. This is due to repayment of bank loans and the expansion plans undertaken by the Group, with higher capex on machinery for UMS Aerospace as well as the Group’s new facilities in Penang.

Group net earnings per share (EPS) for 3QFY09 was at 0.03 cents while its net asset value (NAV) stood at 45.63 cents.

Segmental Analysis

The Group's semiconductor business segment saw strong growth in 3QFY09, up 95% to reach S\$11.1 million from S\$5.7 million in 2QFY09.

Semiconductor margins improved slightly, due to higher contributions from the sale of spare parts, which typically enjoy better margins.

For the nine months ended 30 September 2009, sales in the semiconductor segment decreased 61% to S\$23.2 million, mainly due to the soft global semiconductor industry.

The Group's Contract Equipment Manufacturing (CEM) sales fell to S\$0.3 million in 3QFY09 from S\$1.6 million in 2QFY09. For the nine months period, CEM revenue decreased 58% to S\$7.0 million.

Geographical Analysis

Compared to 2QFY09, all the Group's key markets reported higher sales.

In terms of geographical performances, revenue in Singapore increased by 136% from S\$0.8 million in 3Q08 to S\$1.9 million in 3Q09. Quarter-to-quarter sales in Singapore also more than doubled from S\$0.9 million reported in 2QFY09.

US remained the largest market for the Group, contributing 58% of the Group's total revenue. Sales to the US was up 49% to S\$6.6 million in 3QFY09 compared to S\$4.4 million recorded in 2QFY09, signaling a possible recovery of the semiconductor industry in the US.

But for the nine months period, revenue from the US declined 67% from S\$57.7 million to \$18.9 million in 3QFY09, due to the weakness in the US economy and the soft semiconductor market during the period.

"Other" markets such as Europe and Taiwan have significantly contributed to the Group's performance for 3Q09. The growth in revenue is mainly due to more shipments to Taiwan.

Going forward, Malaysia will be classified under "other" markets, as it will serve as The Group's manufacturing facility to support manufacturing demands from Singapore and Asia.

Group Outlook

SEMI (Semiconductor Equipment and Materials International) has reported on October 20, 2009 that North America-based manufacturers of semiconductor equipment posted US\$732.8 million in orders in September 2009 (three-month average basis) and a book-to-bill ratio of 1.17.

The three-month average of worldwide bookings in September 2009 was \$732.8 million. The bookings figure is 19.3 percent greater than the final August 2009 level of US\$614.5 million, and 12.8 percent greater than the US\$649.9 million in orders posted in September 2008.

The three-month average of worldwide billings in September 2009 was US\$624.6 million. This billings figure is 7.7 percent greater than the final August 2009 level of US\$580 million.

SEMI expects that Equipment bookings which have increased considerably throughout the third quarter will continue to improve overall as September 2009 is the first time since May 2007 that year-over-year bookings have risen and is in-line with the gradually improving capital spending outlook for the remainder of this year and into next year.

Said Mr. Andy Luong, Chief Executive Officer of UMS, "The improvement in the Group's performance and the incremental improvement in our business outlook are definitely encouraging signs.

Due to macroeconomic conditions and market dynamics that continue to be challenging, it is difficult to predict the growth trend beyond the third quarter. While we are adjusting our short-term business plans to meet additional demands from customers, we will continue to focus on lowering our cost structure, and monitoring our cash and liquidity position.

The Group's facility in Penang, Malaysia, which enjoys a lower cost structure and 10-year tax exemption benefit, will be the company's key manufacturing facility to support manufacturing demands. The Malaysian plant will commence full production in 2010.

As we look forward, we believe our current business model, financial position, as well as our strategic growth plans, will propel us ahead of our competitors in delivering significant value to customers as they introduce new products and solutions that require high performance and cost-efficient matrixes. As we continue to make further operational improvements and widen our customer base, our top priority continues to be driving sustainable profitability for the Group."

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 as well as high precision components for the aerospace industries.

Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia, as well as offices in Fremont, 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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