



Company Registration No.: 200100340R

UMS' 9M2011 net profit rises 11% to S\$21.9m, proposes 3Q interim dividend of 1.0 cent per share

- **Fundamentals remain despite weaker third quarter, with positive operating cash flow of S\$7.0m and cash conversion ratio of almost 94%, and more than doubling of cash position to S\$36.0 million from a year earlier**
- **Dividend momentum continues with cumulative dividend for 2011 standing at 3.0 Singapore cents per ordinary share**
- **Strategies in place to tackle cautious outlook include improving operating efficiencies and cost control**

SINGAPORE, 11 November 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 nine months ended 30 September 2011 (“9M2011”) has risen 11% to S\$21.9 million from S\$19.7 million, a year ago.

On a three-month basis, the Group's 3Q2011 net profit slightly dipped by 3% to S\$7.3 million from S\$7.6 million in 3Q2010, on the back of lower 3Q2011 revenue of S\$21.7 million from S\$35.2 million in 3Q2010. This is in line with UMS' guidance in the preceding quarter that global economic uncertainties

continue to impact key players in the global semiconductor industry as they review the timing of their investments.

Dividend Momentum Consistent with Preceding Quarters

Despite the challenges faced in 3Q2011, the Directors have proposed an interim dividend of 1.0 cent per ordinary share (tax exempt one tier), bringing UMS' cumulative dividend in 2011 to 3.0 cents per ordinary share (including 1Q2011 and 2Q2011 dividends each of 1.0 cent per ordinary share already paid out).

UMS attributed the growth in 9M2011 bottom line to the Group's continued efforts to reduce operating costs, a one-time exceptional gain of S\$3.9 million from disposal of factory buildings in Singapore and Penang and forex gains, despite a 6% decline in topline to S\$89.3 million from S\$95.2 million in 9M2010.

The decline in topline, over the comparative periods, was mainly caused by a 48% fall in contribution from the Group Contract Equipment Manufacturing ("CEM") business to S\$4.4 million in 9M2011 from S\$8.4 million in 9M2010. At the same time, revenue from the Semiconductor ("Semicon") business also dipped slightly by 2% to S\$84.9 million in 9M2011 from S\$86.9 million in 9M2010.

Geographically as UMS' major customer carried on increasing outsourcing of production to lower-cost Asian countries and to be nearer to customers, Singapore retained its lead contributing S\$53.6 million from S\$49.7 million while revenue from US declined to S\$22.4 million from S\$30.0 million and from Others declined to S\$13.2 million from S\$15.5 million, over the nine month periods under review.

UMS' Fundamentals Remain In Tact

UMS' Founder and Chief Executive Officer, Mr. Andy Luong, said, "**Ongoing initiatives have helped to cushion the impact of a weakening global economy on our performance during the periods under review. While external challenges are beyond our control, our priorities will be to continue to operate efficiently and control costs.**"

During the period under review, UMS maintained its focus on collections to generate positive net cash from operating activities of S\$7.0 million. Similarly, free cash flow of S\$6.9 million led to a cash conversion ratio (as a percentage of net profit) of 94%.

Accordingly, cash and cash equivalents more than doubled to S\$36.0 million at end September 2011 compared to S\$14.2 million at end September 2010.

Earnings per share, on a fully diluted basis, rose to 6.38 cents in 9M2011 (on 343,754,327 shares), from 5.62 cents in 9M2010 (on 350,258,774 shares). Net asset value per share remained mostly unchanged at 53.19 cents as at 30 September 2011 (on 343,754,327 shares), up from 52.05 cents as at 31 December 2010 (on 343,754,327 shares).

Strategies In Place To Tackle Cautious Outlook

On Group outlook, the Group remains mindful that industry analysts have cautioned the semiconductor macroeconomic outlook to remain cloudy in 2012.

At the same time, UMS remains confident about the underlying soundness of its strategy and the geographical markets in which it operates. Over the coming months, UMS intends to cushion the impact of uncertainty on its operations through various internal initiatives.

Strategies include leveraging low cost infrastructure at its Penang facility with the opportunity to take on new projects should the demand recover. UMS will further reduce discretionary spending, tighten its working capital management and build up its cash reserves. This will put it in the best position to limit the impact of short term fluctuation in demand and take on any future M&A opportunities.

Given the above and barring unforeseen circumstances, UMS' Directors believe that its performance in FY2011 will remain profitable.

#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 **UMS HOLDINGS LIMITED**
BY CAPITAL ACCESS COMMUNICATIONS PTE LTD:

Edwin Lee
Email: edwinlee@capitalaccess.com.sg
Mobile: +65 96607361