

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**Third 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 and statement of comprehensive income, or a statement of comprehensive income (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 30 SEPTEMBER 2011**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Revenue	21,650	35,222	-39%	89,271	95,230	-6%
Net financial expense (Note (a))	(26)	(93)	-72%	(142)	(403)	-65%
Changes in inventories	(5,583)	2,890	N.M	2,525	12,764	-80%
Raw material purchases and sub-contractors charges	(3,453)	(17,287)	-80%	(41,614)	(55,597)	-25%
Employee benefits expense	(3,056)	(3,537)	-14%	(9,696)	(9,899)	-2%
Depreciation expense	(2,572)	(3,299)	-22%	(7,996)	(8,917)	-10%
Other expenses (Note (b))	(2,842)	(2,730)	4%	(8,964)	(7,766)	15%
Other credits/ (charges) (Note (c))	3,927	(1,703)	N.M	1,557	(877)	N.M
<b>Profit before income tax</b>	<b>8,045</b>	<b>9,463</b>	<b>-15%</b>	<b>24,941</b>	<b>24,535</b>	<b>2%</b>
Income tax expense (Note (d))	(704)	(1,878)	-63%	(3,016)	(4,848)	-38%
<b>Profit for the period from continuing operations</b>	<b>7,341</b>	<b>7,585</b>	<b>-3%</b>	<b>21,925</b>	<b>19,687</b>	<b>11%</b>
<b>Attributable to:</b>						
Equity holders of the Company	7,341	7,585	-3%	21,925	19,687	11%
Minority interests	-	-	N.M	-	-	N.M
	<b>7,341</b>	<b>7,585</b>	<b>-3%</b>	<b>21,925</b>	<b>19,687</b>	<b>11%</b>
Earnings per ordinary share (in cents)						
- basic and diluted	2.14	2.20	-3%	6.38	5.62	14%

N.M - Not meaningful

## NOTES TO INCOME STATEMENT

### Note (a) Net financial expense

	Group					
	3Q			9 Months Ended		
	30-Sep-11	30-Sep-10	Change	30-Sep-11	30-Sep-10	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Interest income	16	8	100%	38	21	81%
Interest expense	(42)	(101)	-58%	(180)	(424)	-58%
Financial expense - net	(26)	(93)	-72%	(142)	(403)	-65%

### Note (b) Other expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-11	30-Sep-10	Change	30-Sep-11	30-Sep-10	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Legal and professional fees (Note (i))	(348)	(93)	274%	(1,060)	(285)	272%
Rental expense (includes leasing of land)	(407)	(361)	13%	(1,153)	(1,048)	10%
Utilities (Note (ii))	(1,194)	(1,152)	4%	(3,397)	(3,306)	3%
Freight charges	(215)	(301)	-29%	(785)	(826)	-5%
Upkeep of properties	(46)	(92)	-50%	(213)	(242)	-12%
Upkeep of machinery	(255)	(300)	-15%	(989)	(807)	23%
Others	(377)	(431)	-13%	(1,367)	(1,252)	9%
	(2,842)	(2,730)	4%	(8,964)	(7,766)	15%

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 3Q2010.

Note 1 (a)(b)(ii) – The increase in the utilities was mainly due to higher energy rate in 3Q2011 as compared to 3Q2010.

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

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Gain/ (Loss) on exchange difference (Note (i))	1,371	(1,636)	N.M	(423)	(675)	-37%
Gain on disposal of assets classified as held for sale (Note (ii))	3,510	-	N.M	3,510	36	9650%
Property, plant & equipment written off	(18)	-	N.M	(18)	-	N.M
Loss on liquidation of a subsidiary (Note (iii))	-	-	N.M	-	(40)	-100%
Inventories written off	(101)	-	N.M	(74)	-	N.M
Provision for impairment of inventories	(856)	(153)	459%	(1,613)	(460)	251%
Loss on disposal of a subsidiary (Note (iv))	-	-	N.M	(59)	-	N.M
Others	21	86	N.M	234	262	-11%
	<b>3,927</b>	<b>(1,703)</b>	<b>N.M</b>	<b>1,557</b>	<b>(877)</b>	<b>N.M</b>

Note 1(a)(c)(i) - The exchange gain in 3Q2011 was due to the appreciation of the US dollar during the period.

Note 1(a)(c)(ii) - This relates to the disposal of factory buildings in Penang, Malaysia and Singapore in 3Q2011.

Note 1(a)(c)(iii) - Voluntary liquidation of Norelco Centreline (KL) Sdn Bhd, a wholly-owned subsidiary of the Company's wholly-owned subsidiary UMS International Pte Ltd, was completed on 27 May 2010.

Note 1(a)(c)(iv) - On 15 April 2011, the Company entered into an agreement to dispose of its subsidiary Ultimate Manufacturing Solutions (Suzhou) Co., Ltd for a total consideration of US\$480,000.

**Note (d) Income tax**

	<b>Group</b>					
	<b>3Q</b>			<b>9 Months Ended</b>		
	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>	<b>30-Sep-11</b>	<b>30-Sep-10</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Income tax:						
- Current	(704)	(1,878)	-63%	(2,825)	(4,848)	-42%
- Deferred tax	-	-	N.M	(191)	-	N.M
	<b>(704)</b>	<b>(1,878)</b>	<b>-63%</b>	<b>(3,016)</b>	<b>(4,848)</b>	<b>-38%</b>

Lower income tax expense is mainly due to lower provision from an overseas subsidiary who have obtained the pioneer tax incentive.

**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	
	30 Sep 2011 S\$'000	31 Dec 2010 S\$'000	30 Sep 2011 S\$'000	31 Dec 2010 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note (ii))	35,962	20,532	445	3,394
Trade receivables and other current assets (Note (ii))	5,674	19,505	2,812	1,920
Inventories (Note (iii))	36,955	34,505	-	-
	<u>78,591</u>	<u>74,542</u>	<u>3,257</u>	<u>5,314</u>
Asset classified as held for sale (iv)	-	4,416	-	-
	<u>78,591</u>	<u>78,958</u>	<u>3,257</u>	<u>5,314</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	187,444	162,904
Property, plant and equipment	61,542	65,501	-	-
Investment property	3,446	3,614	-	-
Financial assets, available-for-sale	308	-	308	-
Financial assets, held-to-maturity	4,577	4,490	-	-
Goodwill	60,702	60,702	-	-
	<u>130,575</u>	<u>134,307</u>	<u>187,752</u>	<u>162,904</u>
<b>Total Assets</b>	<b>209,166</b>	<b>213,265</b>	<b>191,009</b>	<b>168,218</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Trade and other payables	16,250	18,471	18,959	1,708
Income tax payable	2,499	4,498	-	-
Current portion of finance leases obligation (Note (v))	2,981	4,474	-	-
	<u>21,730</u>	<u>27,443</u>	<u>18,959</u>	<u>1,708</u>
<b>Non Current Liabilities</b>				
Deferred tax	3,197	3,026	-	-
Finance leases obligation (Note (v))	580	2,665	-	-
Long-term provision *	800	1,200	-	-
	<u>4,577</u>	<u>6,891</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b>26,307</b>	<b>34,334</b>	<b>18,959</b>	<b>1,708</b>
<b>Capital and Reserves</b>				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(1,837)	(1,028)	85	85
Retained earnings	48,073	43,336	35,342	29,802
<b>Total Equity</b>	<b>182,859</b>	<b>178,931</b>	<b>172,050</b>	<b>166,510</b>
<b>Total Liabilities and Equity</b>	<b>209,166</b>	<b>213,265</b>	<b>191,009</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 30 September 2011 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	30-Sep-2011 %	31-Dec-2010 %	30-Sep-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) <sup>1</sup>	-	100	-	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. <sup>2</sup> (Malaysia)	100	100	30,772	6,232
Unquoted equity shares, at cost			188,562	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			(1,216)	(3,318)
			187,444	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:**

<sup>1</sup> A subsidiary was disposed during the period.

<sup>2</sup> During the period, the Company increased its investment in Ultimate Machining Solutions (M) Sdn. Bhd. by subscribing additional 60,000,000 ordinary shares of MYR1.00 each.

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$15.4 million was mainly due to proceeds from sale of assets held for sale and better collections in trade and other receivables during the period.

Note 1(b)(i)(iii) – Inventory increased by 7% during the period. When compared with 2Q2011, inventory decreased S\$4.5 million or 11% due to management efforts to tighten working capital management.

Note 1(b)(i)(iv) – Assets classified as held for sale were disposed off during the period.

Note 1(b)(i)(v) – The total decrease in finance lease obligation by S\$3.6 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 30 Sep 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2,981	-	2,981	4,474	-	4,474

Amount repayable after one year

As at 30 Sep 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
580	-	580	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 flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group			
	3Q		9 Months Ended	
	30-Sep-11 S\$'000	30-Sep-10 S\$'000	30-Sep-11 S\$'000	30-Sep-10 S\$'000
<b>Cash flows from operating activities</b>				
Net profit before income tax	8,045	9,463	24,941	24,535
Adjustments for:				
Depreciation expense	2,572	3,299	7,996	8,917
Provision for impairment of inventories	856	153	1,613	460
Inventories written off	101	-	74	-
Property, plant and equipment written off	18	-	18	-
Gain on disposal of assets classified as held for sale	(3,510)	-	(3,510)	(36)
Loss on liquidation of a subsidiary	-	-	-	40
Loss on disposal of a subsidiary	-	-	59	-
Interest income	(16)	(8)	(38)	(21)
Interest expense	42	101	180	424
Unrealised foreign exchange adjustment (gain)/ loss	(1,278)	1,730	(1,041)	468
<b>Operating cash flow before working capital changes</b>	<b>6,830</b>	<b>14,738</b>	<b>30,292</b>	<b>34,787</b>
Changes in operating assets and liabilities:				
Trade receivables and other current assets	7,026	25	16,895	(6,580)
Inventories	3,532	(3,043)	(4,137)	(13,224)
Trade and other payables	(8,445)	217	(4,740)	3,190
<b>Cash generated from operations</b>	<b>8,943</b>	<b>11,937</b>	<b>38,310</b>	<b>18,173</b>
Income tax paid	(1,981)	-	(4,655)	-
<b>Net cash generated from operating activities</b>	<b>6,962</b>	<b>11,937</b>	<b>33,655</b>	<b>18,173</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(62)	(3,038)	(7,157)	(5,934)
Proceeds from disposal of assets classified as held for sale	9,998	-	9,998	706
Purchase of financial assets, available-for-sale	-	-	(308)	-
Net cash outflow on disposal of a subsidiary	-	-	(60)	-
Interest received	16	8	38	21
<b>Net cash generated from/ (used in) investing activities</b>	<b>9,952</b>	<b>(3,030)</b>	<b>2,511</b>	<b>(5,207)</b>
<b>Cash flows from financing activities</b>				
Repayment of borrowings	-	-	-	(9,959)
Dividends paid	(3,438)	(3,438)	(17,188)	(6,980)
Purchase of treasury shares	-	(205)	-	(2,705)
Repayment of finance leases obligation	(906)	(1,358)	(3,579)	(1,914)
(Increase)/ decrease in fixed deposit - restricted	(2)	1	(40)	(53)
Interest paid	(42)	(101)	(180)	(424)
<b>Net cash used in financing activities</b>	<b>(4,388)</b>	<b>(5,101)</b>	<b>(20,987)</b>	<b>(22,035)</b>
Net effect of exchange rate changes	943	(691)	211	(1,457)
Net increase/ (decrease) in cash and cash equivalents	13,469	3,115	15,390	(10,526)
Cash and cash equivalents at beginning of the period	22,219	10,856	20,298	24,497
<b>Cash and cash equivalents at end of the period</b>	<b>35,688</b>	<b>13,971</b>	<b>35,688</b>	<b>13,971</b>
Fixed deposit - restricted in use			274	234
<b>Cash and cash equivalents in the Balance Sheet</b>			<b>35,962</b>	<b>14,205</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					
	3Q			9 Months Ended		
	30-Sep-11 S\$'000	30-Sep-10 S\$'000	Change %	30-Sep-11 S\$'000	30-Sep-10 S\$'000	Change %
<b>Profit for the period</b>	7,341	7,585	-3%	21,925	19,687	11%
Currency translation gain/ (loss)	101	(159)	N.M	(758)	293	N.M
<b>Total comprehensive income for the period</b>	<b>7,442</b>	<b>7,426</b>	<b>0%</b>	<b>21,167</b>	<b>19,980</b>	<b>6%</b>
<b>Attributable to:</b>						
Equity holders of the Company	7,442	7,426	0%	21,167	19,980	6%
Minority interests	-	-	N.M	-	-	N.M
	<b>7,442</b>	<b>7,426</b>	<b>0%</b>	<b>21,167</b>	<b>19,980</b>	<b>6%</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>						
<b>As at 1 January 2010</b>	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>
<b>Changes in equity for second quarter</b>						
Profit for the period	-	-	-	-	7,480	7,480
Other comprehensive income for the period	-	-	-	120	-	120
<b>Total comprehensive income for the quarter</b>	-	-	-	120	7,480	7,600
Purchase of treasury shares	-	(2,500)	-	-	-	(2,500)
Dividend paid	-	-	-	-	(3,542)	(3,542)
<b>As at 30 June 2010</b>	<b>139,328</b>	<b>(2,500)</b>	<b>51</b>	<b>(1,103)</b>	<b>33,568</b>	<b>169,344</b>
<b>Changes in equity for third quarter</b>						
Profit for the period	-	-	-	-	7,585	7,585
Other comprehensive income for the period	-	-	-	(159)	-	(159)
<b>Total comprehensive income for the quarter</b>	-	-	-	(159)	7,585	7,426
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	-	(205)
Dividend paid	-	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2010</b>	<b>136,623</b>	<b>-</b>	<b>51</b>	<b>(1,262)</b>	<b>37,715</b>	<b>173,127</b>

Group	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>As at 1 January 2011</b>	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>	136,623	-	51	(1,145)	50,889	186,418
<b>Changes in equity for second quarter</b>						
Profit for the period	-	-	-	-	7,031	7,031
Other comprehensive income for the period	-	-	-	(793)	-	(793)
<b>Total comprehensive income for the quarter</b>	-	-	-	(793)	7,031	6,238
Disposal of a subsidiary	-	-	(51)	-	-	(51)
Dividend paid	-	-	-	-	(13,750)	(13,750)
<b>As at 30 June 2011</b>	136,623	-	-	(1,938)	44,170	178,855
<b>Changes in equity for third quarter</b>						
Profit for the period	-	-	-	-	7,341	7,341
Other comprehensive income for the period	-	-	-	101	-	101
<b>Total comprehensive income for the quarter</b>	-	-	-	101	7,341	7,442
Dividend paid	-	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2011</b>	136,623	-	-	(1,837)	48,073	182,859

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
<b>As at 1 January 2010</b>	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>	139,328	-	85	4,886	144,299
<b>Changes in equity for second quarter</b>					
Profit for the period	-	-	-	4,646	4,646
<b>Total comprehensive income for the quarter</b>	-	-	-	4,646	4,646
Purchase of treasury shares	-	(2,500)	-	-	(2,500)
Dividend paid	-	-	-	(3,542)	(3,542)
<b>As at 30 June 2010</b>	139,328	(2,500)	85	5,990	142,903
<b>Changes in equity for third quarter</b>					
Profit for the period	-	-	-	9,770	9,770
<b>Total comprehensive income for the quarter</b>	-	-	-	9,770	9,770
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	(205)
Dividend paid	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2010</b>	136,623	-	85	12,322	149,030

	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>					
<b>As at 1 January 2011</b>	136,623	-	85	29,802	166,510
<b>Changes in equity for first quarter</b>					
Loss for the period	-	-	-	(693)	(693)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(693)	(693)
<b>As at 31 March 2011</b>	136,623	-	85	29,109	165,817
<b>Changes in equity for second quarter</b>					
Profit for the period	-	-	-	24,037	24,037
<b>Total comprehensive income for the quarter</b>	-	-	-	24,037	24,037
Dividend paid	-	-	-	(13,750)	(13,750)
<b>As at 30 June 2011</b>	136,623	-	85	39,396	176,104
<b>Changes in equity for third quarter</b>					
Loss for the period	-	-	-	(616)	(616)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(616)	(616)
Dividend paid	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2011</b>	136,623	-	85	35,342	172,050

- 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 30 September 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 30 September 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 30 September 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.**

	Group			
	3Q		9 Months Ended	
	30-Sep-11	30-Sep-10	30-Sep-11	30-Sep-10
<b>Earnings per share (EPS)</b>				
(a) Based on weighted average number of outstanding ordinary shares in issue; and	2.14 cents	2.20 cents	6.38 cents	5.62 cents
(b) On a fully diluted basis	2.14 cents	2.20 cents	6.38 cents	5.62 cents

For Note 6 above, the basic earnings per share for the 9 months ended 2011 and previous corresponding period have been calculated based on the weighted average number of 343,754,327 and 350,258,774 of outstanding ordinary shares. Basic earning per share for 3Q and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 and 343,988,023 of outstanding ordinary shares respectively. The diluted earnings per share for 9 months ended 2010 and the previous corresponding period have been calculated based on 343,754,327 and 350,258,774 of outstanding ordinary shares respectively. The diluted earnings per share for 3Q and the previous corresponding period have been calculated based on 343,754,327 and 343,988,023 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	
	30-Sep-11	31-Dec-10	30-Sep-11	31-Dec-10
Net asset per ordinary share based on existing issued share capital as at end of period reported on	53.19 cents	52.05 cents	50.05 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.

9 months 2011 Vs 9 months 2010

	Group		
	9 Months Ended		
	30-Sep-11	30-Sep-10	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	4,350	8,372	-48%
Semiconductor (Semicon)	84,921	86,858	-2%
	<u>89,271</u>	<u>95,230</u>	<u>-6%</u>
<b>Geographical Regions</b>			
Singapore	53,648	49,712	8%
United States of America ('US')	22,411	30,019	-25%
Others	13,212	15,499	-15%
	<u>89,271</u>	<u>95,230</u>	<u>-6%</u>

3Q2011 Vs 3Q2010

	Group		
	3Q		
	30-Sep-11	30-Sep-10	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	922	3,286	-72%
Semiconductor (Semicon)	20,728	31,936	-35%
	<u>21,650</u>	<u>35,222</u>	<u>-39%</u>
<b>Geographical Regions</b>			
Singapore	12,913	17,670	-27%
United States of America ('US')	5,221	11,178	-53%
Others	3,516	6,374	-45%
	<u>21,650</u>	<u>35,222</u>	<u>-39%</u>

**Revenue**

For the three months ended 30 September 2011 ("3Q2011"), UMS' revenue was significantly lower by 39% to S\$21.7 million from S\$35.2 million in 3Q2010, and 34% lower when compared to S\$32.7 million in 2Q2011. This was in line with caution given in the pre-ceding quarter when UMS had anticipated global economic uncertainties causing overseas semicon industry end-users to review the timing of their investments.

Consequently as a business, the semiconductor ("Semicon") segment contribution to Group revenue fell by 35% to S\$20.7 million in 3Q2011 from S\$31.9 million in 3Q2010. At the same time, revenue from the Contract Equipment manufacturing ("CEM") segment substantially decreased 72% to S\$922,000 in 3Q2011 from S\$3.3 million in 3Q2010 mainly as the Group continued to streamline oil and gas products to focus on more profitable ones.

Geographically as UMS' major customers continued to outsource more from Asia, Singapore remained the largest revenue contributor at S\$12.9 million in 3Q2011, albeit down 27% from S\$17.7 million in 3Q2010 followed by United States at S\$5.2 million in 3Q2011, also down 53% from S\$11.2 million in 3Q2010. Contribution from Others also declined 45% to S\$3.5 million in 3Q2011 from S\$6.4 million in 3Q2010.

Similarly, on a nine month basis (ie for the nine months ended 30 September 2011) or 9M2011, Group revenue also declined, about 6%, to S\$89.3 million from S\$95.2 million in 9M2010. This decline in topline, over the comparative periods, was mainly caused by the CEM segment whose contribution fell 48% to S\$4.4 million in 3Q2011 from S\$8.4 million in 3Q2010. At the same time, revenue from the Semicon segment also dipped slightly by 2% to S\$84.9 million in 3Q2011 from S\$86.9 million in 3Q2010.

In 9M2011, Singapore emerged as UMS' largest market contributing S\$53.6 million, up 8%, from S\$49.7 million in 9M2010. 9M2011 revenue from US declined 25% to S\$22.4 million from S\$30.0 million while those from Others dipped 15% to S\$13.2 million from S\$15.5 million, a year ago.

## **Profitability**

Over the comparative quarterly and nine month periods, operating costs continued to decline in line with reduced sales. 3Q2011 raw material and sub-contractor costs declined 80% to S\$3.5 million from S\$17.3 million in 3Q2010 while those in 9M2011 fell 25% to S\$41.6 million from S\$55.6 million in 9M2010. Likewise, personnel related costs (ie employee benefits) continued to decline in 3Q2011 and in 9M2011 from a year ago mainly due to lower overtime costs as sales slowed.

However, Other expenses continued to increase to S\$2.8 million in 3Q2011 from S\$ 2.7 million in 3Q2010 and to S\$9.0 million in 9M2011 from S\$7.8 million in 9M2010 mainly due to higher professional fees paid out by UMS in relation to its Korean dual listing programme. The Company has on 16 August 2011 announced that it will not pursue the dual listing at this point in time.

Other Credits recorded a one-time exceptional gain of S\$3.9 million in 3Q2011 on gains from disposal of factory buildings in Singapore and Penang, Malaysia, and forex gains due to the appreciation of USD. These gains were partially offset by higher provision for impairment of inventories.

During the comparative periods, UMS also benefited from provisions for lower taxes as its Penang operations acquired its pioneer tax status during the quarter under review. Subsequently, UMS' tax expenses declined 63% to S\$704,000 in 3Q2011 from S\$1.9 million in 3Q2010 and to S\$3.0 million in 9M2011 from S\$4.8 million in 9M2010.

As a result of all of the above, UMS reported a 3Q2011 net profit attributable to equity holders of S\$7.3 million, slightly down by 3%, from S\$7.6 million in 3Q2010 while 9M2011 net profit attributable to equity holders was up 11% to S\$21.9 million from S\$19.7 million in 9M2010.

## **Cash flow**

As at 30 September 2011, the Group continued to generate positive operating cash flow of S\$7.0 million from S\$11.9 million at 30 September 2010. Likewise free cash flow of S\$6.9 million led to a cash conversion ratio (as a percentage of net profit) of almost 94%, consistent with UMS' ongoing efforts to generate good cash flow.

Accordingly the Group continued to remain in a strong cash position with cash and cash equivalents of S\$36.0 million at 30 September 2011, more than double the S\$14.2 million balance as at 30 September 2010.

## **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.**

In 3Q2011, UMS or the Group has continued to remain profitable and cash generative despite a dip in sales revenue. This can be attributed to UMS' sustained efforts to improve working capital performance and tightly manage the cost base.

As the Group move into the fourth quarter, UMS has seen some rush orders coming in from its major customers which were possibly postponed in the previous quarter. The Group remains mindful that industry analysts have cautioned that the semiconductor industry outlook to remain cloudy in 2012.

The Group continues to remain confident about the underlying soundness of its strategy and the geographical markets in which it operates. However the ongoing external challenges are beyond its control and UMS intends to cushion the impact of uncertainty on its operations through various internal initiatives. UMS will leverage on the low cost infrastructure at its Penang facility by transiting more production there from Singapore to improve cost effectiveness and operating efficiencies. The low cost infrastructure and available capacity in its Penang facility will also put the Group in a good position to take on new projects.

Additionally, UMS will try to further reduce discretionary spending, tighten its working capital management further and build up cash reserves. By strengthening its balance sheet the Group will be able to reduce the impact of demand fluctuation in the short term and also leverage on any possible M&A opportunities, if and when these arise, to grow its geographical reach into new regional markets.

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

**11 Dividend**

**(a) Current Financial Period Reported**

Any dividend declared for the current financial period reported on?

In relation to the third quarter ended 30 September 2011, the Board of Directors has declared a third interim dividend of 1.0 cent 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?

Yes.

**(c) Date payable**

15 December 2011

**(d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 29 November 2011 , for the purpose of determining members' entitlements to the Third Interim Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2011.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 28 November 2011 will be registered before entitlements to the Third Interim Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 28 November 2011 will be entitled to the Third Interim Dividend.

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

Not applicable.

- 13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

<b>Nine Months ended 30 September 2011</b>		
Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual)	Aggregate value of all interested person transactions conducted during the financial period under review shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Integrated Manufacturing Technologies Pte Ltd ("IMT-S")</b>		
Sales of semi-conductor equipment components	60	9
Provision of human resource services, and rent and utilities	665	155
Purchases of components, assemblies, consumables and spare:	4,868	1,633
<b>Integrated Manufacturing Technologies Inc. ("IMT-USA")</b>		
Sales of semi-conductor equipment components	28	-
Purchases of components, assemblies, consumables and spare:	233	-
Subcontractor works involving welding and tube bending	39	-

Note: Transactions above are with companies in which Luong Andy and Sylvia SY Lee Luong have direct and deemed equity interest.

The aggregate value of IPT entered into between the Group and IMT-S and IMT-USA during 9M 2011 amounted to S\$7,690,000 which represented approximately 6.5% of the Group's latest audited net tangible assets as at 31 December 2010.

The shareholders have approved the IPT mandate via a shareholder meeting on 16 August 2011.

14 **Negative confirmation pursuant to Rule 705 (5)**

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 3Q2011 and period ended 30 September 2011 financial results to be false or misleading in any material respect.

On behalf of the Board

**Luong Andy**  
Chief Executive Officer

**Stanley Loh Meng Chong**  
Executive Director

**BY ORDER OF THE BOARD**

**Luong Andy**  
Chief Executive Officer  
11 November 2011