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UMS REGISTERS LOWER NET PROFIT OF S\$17.0 MILLION FOR FY2012, PROPOSES FINAL DIVIDEND OF 2 SINGAPORE CENTS AND EXPECTS BUSINESS SENTIMENTS FOR 2013 TO IMPROVE

Highlights

- Despite challenging conditions, UMS FY2012 revenue remained stable at S\$113.2 million (FY2011: S\$114.4 million) and its FY2012 net profit was S\$17.0 million as compared to S\$27.6 million in FY2011
- Free cash flow of S\$29.3 million was generated in FY2012
- Outlook to improve as key customer expects better performance in the coming months and is optimistic for the year of 2013, where increasing demand of mobile products will drive investment in semiconductor equipment

Financial Highlights:

S\$ (million)	Full Year FY2012	Full Year FY2011	Change
Revenue	113.2	114.4	↓ 1%
Profit before tax	18.7	31.3	↓ 40%
Net profit	17.0	27.6	↓ 39%

SINGAPORE, 28 February 2012– SGX Mainboard-listed UMS Holdings Limited (“UMS” or “the Group”), a strategic integration partner in manufacturing and

engineering for front-end semiconductor equipment manufacturers, today announced its financial results for the full year ended 31 December 2012 ("FY2012").

In FY2012, UMS revenue remained relatively flat at S\$113.2 million, compared to S\$114.4 million a year ago ("FY2011"). Similarly, revenue from its Semicon segment stood relatively flat at S\$106.7 million in FY2012 (FY2011: S\$107.2 million). Revenue from CEM segment declined 9% from S\$7.2 million in FY2011 to S\$6.6 million in FY2012.

Geographically, UMS revenue from Singapore in FY2012 grew 5% from S\$69.3 million in FY2011 to S\$72.7 million. Revenue from US decreased 21% from S\$27.7 million in FY2011 to S\$21.9 million in FY2012 while revenue from Other improved 7% from S\$17.4 million in FY2011 to S\$18.7 million in FY2012.

Gross material margin declined to 49% from 56% in FY2011 mainly due to lower margins in 4Q2012. Personnel related costs (i.e. employee benefits expense) for FY2012 was S\$11.6 million, a decline of 9%, compared to S\$12.8 million a year ago. Depreciation expenses for FY2012 stood flat at S\$10.6 million (FY2011: S\$10.6 million).

Other expenses decreased 6% from S\$11.5 million in FY2011 to S\$10.9 million in FY2012. Other credits/charges in FY2012 recorded a loss of S\$3.9 million, compared to a gain of S\$2.5 million in FY2011. Tax expenses decreased 54% to S\$1.7 million in FY2012, compared to S\$3.7 million in FY2011.

For the full year of FY2012, UMS net profit attributable to equity holders decreased 39% to S\$17.0 million, from S\$27.6 million in FY2011.

4Q2012 Performance

For the three months ended 31 December 2012 (“4Q2012”), UMS revenue decreased 14% to S\$21.6 million, compared to S\$25.2 million in the previous corresponding period (“4Q2011”). Quarter-on-quarter, UMS 4Q2012 revenue declined 6% from S\$23.0 million in the preceding quarter (“3Q2012”). This was attributed to the continued weakness in the global economy, which has weakened consumer demand, thus causing a number of semiconductor equipment end users to review the timing of their investment and capital expenditure programs.

UMS 4Q2012 gross material margin declined to 41% from 54% in 4Q2011. This decline in margin was mainly due to inventory adjustment made during the quarter as well as UMS extending price discount on some products lines. The price discount was made in return for a 5 year contract extension of the Semicon Integrated System business with a key customer.

UMS recorded a lower net profit attributable to equity holders of S\$1.2 million in 4Q2012, representing a 79% decrease from S\$5.7 million in 4Q2011.

Board Proposes Final Dividend of 2 Singapore Cents

Despite the decline in net profit, UMS maintains a good track record of generating positive operating cash flow of S\$31.1 million as well as free cash flow of S\$29.3 million in FY2012, as compared to S\$39.2 million and S\$31.7 million respectively in FY2011.

As of 31 December 2012, UMS net cash and cash equivalents remained positive, standing healthily at S\$15.4 million, compared to that of S\$37.9 million as at 31 December 2011.

On the back of the Group’s positive cash generation, the Board has proposed a final dividend of 2 Singapore cents per share, bringing the total dividend declared

for FY2012 to 5 Singapore cents per share. This amounts to a dividend payout ratio of 101%.

Outlook

The decrease in business volume in 4Q2012 was in line with the management's expectation. Previously, the Group had announced that its key customer had revised their forecast downwards due to weaker-than-expected demand from the foundries as investment plans were delayed.

This was a result of weak consumer demand, exacerbated by the continued European crisis and global economic uncertainties. This was particularly evident in the ongoing declines in personal computer sales.

However, forecasted demand has improved for 1H2013, which is in line with expected improved global billing data for the similar period. Additionally, a major global foundry had reportedly demanded advance delivery of the front-end equipment needed for its 28nm process, which had seen brisk demand. The key customer of UMS is one of the fab-tool makers that will benefit from this early delivery.

Internally, UMS is progressing well on the relocation of its operations to Penang. This will help to reduce operating costs and alleviate the shortage of labour in Singapore.

Commenting on its latest financial performance, UMS' Founder and Chief Executive Officer, Mr Andy Loung remarked: **"While the last quarter results are significantly lower, we believe that the recent downturn in the demand of semiconductor equipment had bottomed out. Similarly, our key customer had revised their forecast upwards, with revenue growth in the region of 15-25% sequentially for the first few months of 2013. We are optimistic about the potential of our markets this year, with mobile products such as**

smart phones and tablets being the main drivers of investments in semiconductor equipment”.

#End of Release#

Note: This press release is to be read in conjunction with the related mandatory announcement filed by UMS on SGX net.

ISSUED ON BEHALF OF **UMS HOLDINGS LIMITED**
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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 and USA.