



Company Registration No.: 200100340R

UMS HOLDINGS REPORTS TURNOVER OF S\$11.6 MILLION FOR Q1FY09

- **Key manufacturing facility in Penang granted 10-year tax exemption by MIDA**

Singapore, May 13, 2009 – Mainboard-listed **UMS Holdings Limited** (“**UMS**” or “**The Group**”) reported a turnover of S\$11.6 million for the first quarter of the year (“**FY09**”).

This represents a 54% decline when compared to the first quarter of last year. Gross material margin also fell from 61.5% in Q1FY08 to 50.1% in Q1FY09 because of higher contribution from the lower margin CEM business to overall Group earnings.

Pre-tax losses reduced from S\$7.2 million in Q1FY08 to S\$3.1 million in Q1FY09, whereas net losses reduced from S\$7.2 million in Q1FY08 to S\$2.67 million in Q1FY09. This is because of lower operational expenses and the absence of significant losses from forward contracts as was the case in Q1FY08. The group lowered its expenses by 61% from S\$4.9 million to S\$1.9 million with lower utilities, legal and other professional fees.

Net Cash (cash and cash equivalents less bank borrowings) decreased to S\$10.1 million in Q1FY09 from S\$11.8 million in Q4FY08. The lower cash level was mainly due to the expansion plans undertaken by the Group, including capital expenditure on machinery for UMS Aerospace and the building of the Group’s new facilities in Penang.

Segmental Analysis

Revenue from the Group’s semiconductor business declined 67% from S\$19.1 million in Q1FY08 to S\$6.4 million in Q1FY09, reflecting the overall softening of the global semiconductor industry. However, there was a more gradual decline quarter-to-quarter to 51.8% when compared to S\$13.3 million in Q4FY08. The percentage of

contribution of the semiconductor business to the total group revenue also fell from 76% in Q1FY08 to 55% in Q1FY09.

The contract equipment manufacturing segment (CEM) performed better, declining by 14% from S\$6.03 million in Q1FY08 to S\$5.16 million in Q1FY09 from higher billing of oil and gas contracts. However, when compared with Q4FY08's S\$4.2 million segmental contribution, this was a 22.3% rise.

Geographical Analysis

All markets reported lower sales due to slower demand from the semiconductor and CEM businesses. Revenue from the United States, which contributes 72% and the bulk of the Group's turnover, declined 55% from S\$18.7 million in Q1FY08 to \$8.33 million in Q1FY09. This was due to the softening of the domestic economy and the weakened semiconductor market. Sales in Q1FY09 however eased by a smaller 19.9% from Q4FY08. This reflected the gradual moderation in the decline experienced in the semiconductor industry in the US.

The second largest revenue contribution came from the "other markets" segment which includes Europe and China. Sales from this segment jumped 193% from S\$0.72 million in Q1FY08 to S\$2.12 million in Q1FY09. However, compared to Q4FY08, sales contributions from this market segment fell by 43.1% from S\$3.7 million. This reflected the decline in sales and the cessation of the Group's operations in China as well as some delay in delivery of orders from Japan and Taiwan.

Revenue in Malaysia declined 68% from S\$1.53 million in Q1FY08 to S\$0.49 million in Q1FY09 due to lower demand in both the semiconductor and HDD markets.

Group loss per share for Q1FY09 reduced to 0.75 cents from 1.83 cents in the previous corresponding period. It also reported a net asset value (NAV) of 52.72 cents.

Group Outlook

Moving forward, the Group expects the semiconductor equipment industry to remain soft for FY2009. A report released by Electronics.ca Publications revealed that

overall semiconductor revenue is expected to erode by 19.6% in 2009 as it continues to be affected by the current economic downturn. However, the market is expected to remain unpredictable, with customers maintaining a cautious stance. Forward sales forecasts are more difficult as they continue to assign more short-term projects.

Said Mr. Andy Luong, Chief Executive Officer of UMS Holdings, "The outlook for the coming months remains unpredictable as customers continue to maintain their cautious stance and assign short-term projects, therefore making forward sales forecasts harder."

"While our Singapore facility continues to focus on higher value-added operations, including engineering and product development, our Penang facility, which was recently competed this year, is currently being qualified by a new customer. Our application for a 10-year tax exemption in Penang has also been approved by the Malaysian government, which further substantiates our cost-cutting strategy.

"We are also poised to benefit further from the continued strong business relationship with one of our key customers, which is strengthening its presence in Singapore and Asia. Its headquarters in Singapore is expected to be completed and operational in late 2009."

"The Group will meanwhile continue to monitor all risks in its operations and take necessary steps to eliminate or mitigate them."

Given the difficult market conditions, the Board expects the Group's performance to be weaker in FY09 compared to FY08.

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 and other 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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