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NEWS RELEASE

UMS HOLDINGS REPORTS TURNOVER OF S\$7.3 MILLION FOR 2QFY09

- GROUP GENERATED POSITIVE NET CASH FROM OPERATING ACTIVITIES,
- BALANCE SHEET REMAINS STRONG DESPITE CHALLENGING MARKET CONDITIONS

Singapore, August 4, 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, today reported a turnover of S\$7.3 million for the second quarter ended June 30, 2009 (2Q09) and a revenue of S\$18.9 million for the first half of FY09 (1H09). This represented a decline of 75% and 65% from the previous corresponding period respectively.

Although the group recorded a net loss of S\$25.6 million in 1H09 and S\$ 22.9 million in 2Q09, had it not been for the S\$20 million non-cash impairment of goodwill, the net loss would have narrowed to S\$5.6 million in 1H09 and S\$2.9 million in 2QFY09.

The lower turnover was due to the softer sales in the Group’s core semiconductor and contract equipment manufacturing business segments and, together with forex differences from a weaker US currency, resulted in losses for the period.

Excluding the goodwill impairment, the net loss of the Group in 2QFY09 remained relatively stable compared to the first quarter of this year despite the lower revenue in the second quarter. This was due to better gross margins derived from higher margin products in the Group’s product mix in 2QFY09. The financial results also benefited from cost cutting measures undertaken, and the Group’s balance sheet remains strong despite the difficult market conditions.

The Group’s financial expenses and staff costs were reduced by 52% and 73% respectively in 2QFY09 compared to 2QFY08.

Compared to the previous corresponding quarter, the Group generated positive net cash from operating activities of S\$2.4 million.

The Group also reported a Net Asset Value (NAV) of 45.63 cents for the period ending June 30, 2009 compared to 53.44 cents for the period ending Dec 31, 2008.

Segmental Analysis

In 2Q09, revenue contribution from the Group’s semiconductor business segment was lower by 75% to S\$5.7 million compared to S\$23.0 million in the previous corresponding period. For the six months ended 30 June 2009, the sales in semicon segment eased 71% to S\$12.1 million.

The Group's CEM revenue fell by 76% in 2QFY09 compared to 2Q08 and 46% for 1H09 compared to the same period last year.

The weaker sales were attributed to the overall softer global demand in the HDD and oil and gas sectors.

Geographical Analysis

In terms of geographical performances, all markets other than Europe and Taiwan reported lower sales due to reduced demand from the semiconductor & CEM businesses.

Revenue from the US declined 80% from S\$22.5 million in 2Q08 to \$4.4 million in 2Q09 due to the continued weakness in the US economy and the soft semiconductor market. However, it still remains as the Group's largest revenue contributor, contributing 60% of the Group's total revenue.

Revenue in Malaysia declined 87% from S\$2.6 million in 2Q08 to S\$0.3 million in 2Q09 as a result of lower demand from both the semiconductor and HDD customers.

Other market such as Europe and Taiwan has contributed strongly to the Group's performance. Revenue contributions jumped 94% from S\$0.8 million in 2Q08 to S\$1.6 million in 2Q09.

Group Outlook

SEMI (Semiconductor Equipment and Materials International) projects 2009 semiconductor equipment sales to reach US\$14.14 billion according to the mid-year edition of the SEMI Capital Equipment Forecast.

The forecast indicates that, following a 31 percent market decline in 2008, the equipment market will fall by another 52 percent in 2009. But it will stage a rebound with annual growth of about 47 percent in 2010.

Bookings for the North American semiconductor equipment market, UMS' largest market, are still near historically low levels, but the sharp declines have been arrested.

While recent industry data reflect increased semiconductor device unit sales, the industry is waiting for clearer signals to increase capital investments.

Said Mr. Andy Luong, Chief Executive Officer of UMS Holdings, "The outlook for the coming months remains uncertain despite some signs of bottoming out. Hence, the Group will continue to exercise prudence in capital expenditure, to control costs and to enhance operational efficiency. The Group however is cautiously optimistic of prospects and expects to see increased customers orders for the year.

At the same time, we will be on the look out to seize strategic opportunities as the regional economies are hoping for an early rebound. We also aim to strengthen customers' loyalty and satisfaction by enhancing our service level through targeted services for specific customer requirements."

Given the challenging market conditions, the Group is unlikely to be profitable for FY09.

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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