



Company Registration No.: 200100340R

**UMS HOLDINGS REBOUNDED STRONGLY WITH A NET PROFIT OF S\$12.1 MILLION FOR 1HFY2010 ON SHARP TURNAROUND IN GLOBAL DEMAND FOR SEMICON EQUIPMENT**

- **Group net profit increased 62% from S\$4.6 million in 1QFY10 to S\$7.5 million in 2QFY10**
- **Shareholders will be rewarded with an interim dividend of one cent per ordinary share**

**Singapore, August 3, 2010** – Main board-listed **UMS Holdings Limited** (“UMS” or “The Group”), a leading manufacturer of mission-critical high precision components for the semiconductor industries, has staged a strong rebound in profitability following a sharp turnaround in global demand for semicon equipment.

It reported a net profit of S\$12.1 million for the first half of FY2010 (1HFY10), reversing a loss of S\$25.6 million in 1HFY09. Sales jumped 218% to S\$60 million in 1HFY10 from S\$18.9 million in 1HFY09.

On a quarter on quarter basis, the Group extended its profitable track record – reporting a net profit of S\$7.5 million in 2QFY10 – up 62% from S\$4.6 million in 1QFY10. This is the group’s fourth consecutive quarter of profit growth.

Group revenue for 2QFY10 surged 383% to S\$35.3 million from S\$7.3 million in 2QFY09.

Revenue was up 43% from S\$24.7 million recorded in 1QFY10, reflecting the sustained robust demand for the semiconductor business worldwide.

## **Cash flow**

The Group continued to maintain a healthy financial position.

The Group generated positive net cash from operating activities of S\$3.8 million in 2QFY10, representing an increase of 57%, from the S\$2.4 million generated in 2QFY09. This was mainly attributed to the higher revenue generated. The Cash conversion ratio (as % of PBT) was lower than in previous quarters, mainly due to increase in working capital, to support the Group's strong revenue surge.

Cash and cash equivalents at the end of 2QFY10 stood at S\$10.9 million, after paying off the term loan in Malaysia, 2009 final dividend and the acquisition of treasury shares, all of which totaled S\$13 million during the period. Gearing ratio decreased from 0.13 in FY2009 to 0.06 in 2QFY10.

Group net earnings per share (EPS) at end 2QFY10 jumped to 2.12 cents, against a loss of 6.47 cents for 2QFY09. The Group's net asset value (NAV) rose to 49.19 cents as at 30 June 2010, compared to the 45.97 cents in 31 December 2009.

## **Segmental Analysis**

The Group reported substantial improvements in both its core business segments.

The Group's semiconductor sales rose 438% to S\$30.8 million in 2QFY10 – from S\$5.7 million in 2QFY09. Compared to 1QFY10, its semiconductor revenue grew more than 27% from S\$24.2 million.

For the 6 months ended 30 June 2010, semiconductor sales rose 353% to S\$54.9 million compared to S\$12.1 million for the corresponding period last year (30 June 2009).

The Group also saw significant growth in its Contract Equipment Manufacturing (CEM) business segment in 2QFY10. CEM sales almost tripled to S\$4.5 million from S\$1.6 million in 2QFY09. This is due to increased shipments from the Group's CEM customers, which includes mainly the global oil and gas customers.

## **Geographical Analysis**

The Group also enjoyed significant sales growth in all its key markets.

Sales from Singapore staged the strongest growth for the Group, making it the largest contributor to Group revenue and earnings. Revenue from Singapore increased to

S\$32 million in the first half of FY10 as compared with the same period of FY09. For 2QFY10, revenue was up 1963% to S\$19.1 million from S\$925,000 in 2QFY09.

Sales to the US, which was the Group's largest geographical market previously, reversed its decline, recording a strong revenue rebound of almost 3 times to S\$11 million, up from S\$4.4 million in 2QFY09 - indicating the positive turnaround in the US semiconductor industry. Sales in 2QFY10 also rose 41% against sales of S\$7.8 million in 1QFY10.

"Other" markets such as Europe, Taiwan and Malaysia also saw robust growth in sales. Revenue in 2QFY10 increased by 160% to S\$5.2 million from S\$2 million in 2QFY09 - mainly due to the overall rise in demand in the global semiconductor industry as the market recovers.

### **Group Outlook**

The semiconductor industry is experiencing remarkable growth and is expected to remain robust in the coming months.

According to SEMI, the leading global industry association for the semiconductor and manufacturing industries, capital spending across the semiconductor industry is experiencing a sharp upward recovery this year — off its deep lows reported in 2009 as it continues to benefit from a strong demand for chips.

Semiconductor equipment and materials data collected by SEMI confirms the breadth and strength of the recovery. Sales and orders have gone up for most segments of the equipment and materials markets - wafer processing, assembly & packaging, test, and related sub-segments.

SEMI has further highlighted that first quarter orders for equipment were over five times higher compared to the same period one year ago. Total equipment billings for the first half of 2010 will be at least equal to, and even likely surpass, the total spending for all of 2009. As a result, 2010 equipment spending is forecasted to reach US\$32 billion, which is higher than the US\$29.5 billion spent in 2008.

Mr. Andy Luong, Founder and Chief Executive Officer of UMS, said: "The sharp upswing in the global semiconductor industry in the past 8 months - which has fueled the Group's significant rebound – is likely to continue in the coming months. The business outlook of our key customers remains bright and we have maintained strong order books for the next two quarters. With our strong performance in the past months and our ability to generate solid cash flows, we are pleased to announce an interim dividend of 1 cent per share to reward our loyal shareholders.

Moving ahead, we will continue to drive further improvements in our business, including taking effective cost management actions to offset the higher costs associated with the rising working capital. We will also remain vigilant and take prudent measures to minimise our exposure to risks and uncertainties that still prevail in the global economy today.”

On the Group’s prospects, Mr. Luong commented, “Our 2QFY10 semiconductor shipments growth rate is close to the growth rate reported by SEMI, which reported that first quarter orders for equipment were over five times higher compared to the same period one year ago. SEMI added that total equipment billings for the first half of 2010 will be at least equal to, and even likely surpass, the total spending for all of 2009. We took the bold step to build additional capacity in Penang last year as we have strong confidence in the turnaround of the semiconductor industry. As we can raise our capacity utilisation of our existing Penang campus at least by 20%, we are well poised to ride this wave of growth. We are therefore confident of delivering a sterling performance for FY10.”

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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.

UMS Group makes high precision components and is also involved in complex electromechanical assembly and final testing services. 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**

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