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Company Registration No.: 200100340R

UMS' profit momentum continues into FY2011; records net profit of S\$27.6 million and proposes final and special dividend of 3.00 Singapore cents

Highlights

- Despite the difficult electronic sector, revenue declined a manageable 11% to S\$114.4 million in FY2011 from S\$129.0 million in FY2010, net profit edged down only 4% to S\$27.6 million in FY2011 from S\$28.7 million in FY2010
- Group proposes final and special dividend totaling 3.00 Singapore cents bringing total dividend declared and proposed for FY2011 to 6.00 Singapore cents

Financial Highlights:

S\$ (million)	12 months FY2011	12 months FY2010	Change
Revenue	114.4	129.0	↓11%
Profit before tax	31.3	33.3	↓6%
Net profit	27.6	28.7	↓4%

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, announced today that its net profit attributable to equity holders for full year ended 31 December 2011 (“FY2011”) came in at S\$27.6 million, a 4% decrease from S\$28.7 million in the same period a year ago (“FY2010”).

In FY2011, the Group’s revenue came in at S\$114.4 million compared to S\$129.0 million from FY2010. This is mainly attributed to a weaker second half in 2011 where the global semiconductor industry was cutting back on investments in the face of a longer than expected European crises and global uncertainties.

Nonetheless, on a quarter-on-quarter (sequential) basis, UMS’ 4Q2011 revenue grew by 16% from S\$21.7 million in the preceding quarter for the three months ending 30 September 2011 (“3Q2011”). This was due to a spike in orders from major customers in 4Q2011, following possible order postponement in the preceding quarter.

Segmentally, the Group recorded \$107.2 million in FY2011 for the semiconductor (“Semicon”) business compared to S\$119.2 million in FY2010. Over the same period, revenue from the Contract Equipment Manufacturing (“CEM”) stood at S\$7.2 million in FY2011 compared to S\$9.9 million in FY2010.

Geographically, UMS’ major customers continued their strategy of increasing outsourcing activities in Asia. Singapore continued to be the key revenue contributor for UMS, contributing S\$69.3 million in FY2011, compared to S\$69.8 million in FY2010. The United States contributed S\$27.7 million in FY2011, versus S\$39.0 million in FY2010. Revenue from Others Countries stood at S\$17.4 million in FY2011 compared to S\$20.2 million in FY2010.

In tandem with the lower sales, raw material and sub-contractor costs declined by 25% to S\$49.2 million in FY2011 from S\$66.0 million a year ago while personnel related costs remain stable at S\$12.8 million in FY2011 (FY2010: S\$12.8 million).

Other expenses in FY2011 increased by 8% to S\$11.5 million mainly as a result of higher professional fees paid out by the Group in relation to its aborted Korean dual listing program. Other Credits stood at S\$2.5 million for FY2011 on the back of a one-time gain on sale of properties of S\$3.5 million which was partially offset by higher provision for inventory impairments.

Tax expenses decreased significantly by 19% to S\$3.7 million in FY2011 from S\$4.5 million a year ago as a result of UMS' Penang factory obtaining pioneer tax incentive.

Net profit attributable to equity holders came in at S\$27.6 million in FY2011, representing a 4% decline from S\$28.7 million in FY2010.

Proposed Dividend Payout Rises

In view of the Group's healthy performance and in recognition of shareholders' support of the Group, the Directors have proposed a final dividend of 2.0 Singapore cents per ordinary share (tax exempt one tier) and a special dividend of 1.0 Singapore cent per ordinary share (tax exempt one tier), bringing UMS' total dividend for FY2011 to 6.0 Singapore cents per ordinary share. This includes dividends of 1.0 Singapore cent per ordinary share already paid out in 1Q2011, 2Q2011 and 3Q2011.

Together with its interim dividend, UMS' total final dividend constitutes a payout ratio of 74.6%, compared to 59.8% for the previous corresponding year.

For FY2011, UMS continues to generate healthy cash flow. The Group registered a positive operating cash flow of S\$39.1 million and free cash flow of S\$31.6 million, as compared to S\$31.3 million and S\$23.7 million respectively in FY2010. This corresponds to a cash conversion ratio of 114%.

As at 31 December 2011, UMS' cash and cash equivalent stood at S\$37.9 million, a 85% growth compared to S\$20.5 million as at 31 December 2010.

Outlook

In FY2011, UMS continued to be profitable and demonstrated its cash generation ability despite experiencing a decline in its revenue. Whilst the general outlook of the semiconductor industry is expected to be soft in 2012, the Group experienced a pick-up in business activity in 4Q2011 and customer order forecasts indicates that this momentum is likely to continue into the first 6 months of 2012.

UMS' Founder and Chief Executive Officer, Mr. Andy Luong, said, **“We have seen some signs of recovery since the last quarter of 2011 and customer order forecasts for the first half of 2012 appear to be strong. Aside on working hard to improve operating efficiencies and to keep cost under control, our recent acquisition of Integrated Manufacturing Technologies (IMT) will also boost our revenue and profit, and broaden our range of engineering capabilities.”**

Given the above and barring unforeseen circumstances, UMS' Directors believe that FY2012 will remain profitable.

#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 as well as office in California, USA.

About IMT-S and IMT-USA

IMT-S is a company incorporated in Singapore on 2 November 2004. IMT-USA is a company incorporated in the state of California on 12 August 2004.

The principal business activities of IMT-S include the manufacturing of gas delivery systems and related work, and vacuum welding and tube bending services. IMT-USA is engaged in similar business as IMT-S with capabilities to produce ultra high purity gas lines in a cleanroom environment, valve assemblies, welding, manufacturing and fabrication. Its principal business activities include the manufacturing of gas delivery systems for semiconductor equipment.