



UMS Holdings Limited
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UMS POSTS NET PROFIT OF S\$6.0 MILLION ON THE BACK OF IMPROVING SENTIMENTS FOR 1Q2012; PROPOSED DIVIDEND OF 1.00 SINGAPORE CENT

Highlights

- UMS continued to see signs of recovery as its 1Q2012 revenue grew 27% on a quarter on quarter basis
- UMS' 1Q2012 revenue decreased by 8% to S\$32.0 from S\$35.0 million in 1Q2011 while its 1Q2012 net profit declined 20% to S\$6.0 million as compared to that of S\$7.6 million in 1Q2011
- Proposed interim dividend of 1.00 Singapore cent

Financial Highlights:

S\$ (million)	3 months 1Q2012	3 months 1Q2011	Change
Revenue	32.0	35.0	↓8%
Profit before tax	6.8	9.0	↓ 25%
Net profit	6.0	7.6	↓20%

SINGAPORE, 15 May 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 three months ended 31 March 2012 (“1Q2012”)

The macro environment in 1Q2011 was buoyant although it weakened in line with the global economy in 3Q2011. It has since then shown signs of recovery. In line with this, UMS revenue decreased as compared to 1Q2011. UMS’ revenue for the three months ended 31 March 2012 (“1Q2012”) decreased by 8% to S\$32.0 million from S\$35.0 million in the previous corresponding period (“1Q2011”). However, UMS’ revenue for the three months ending 31 December 2011 (“4Q2011”) grew sequentially by 16% quarter on quarter as compared to the three months ending 30 September 2011 (“3Q2011”) and continued to experience good sequential growth as 1Q2012 revenue grew by 27% from S\$25.2 million in 4Q2011.

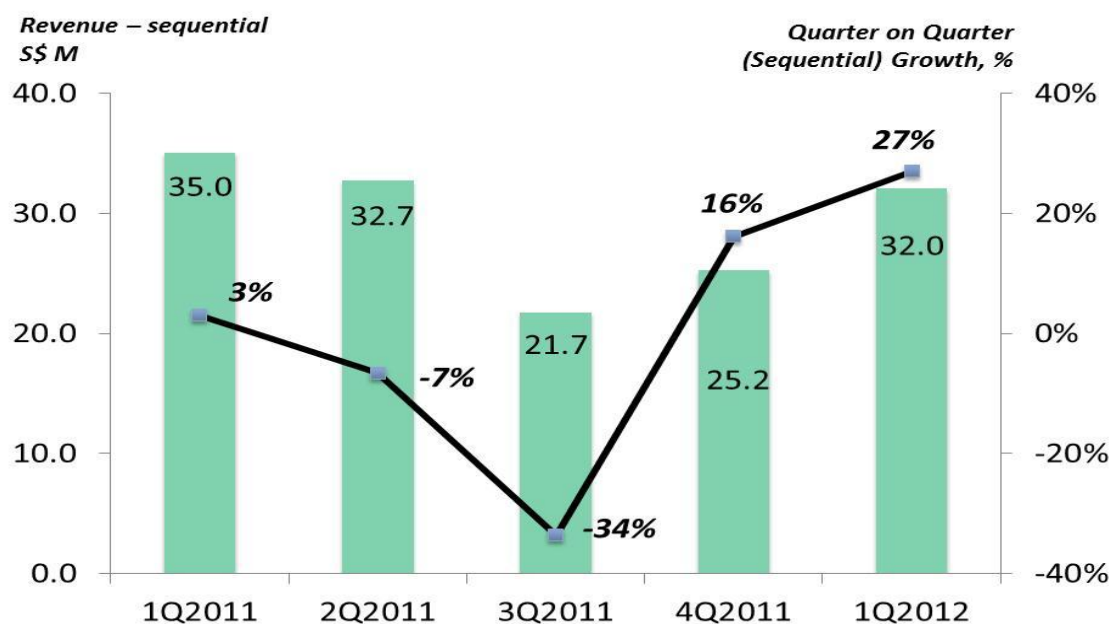


Chart 1: UMS’ quarterly revenue and sequential growth

In 1Q2012, UMS' gross material margin remained relatively stable at around 52%. Over the same period, UMS did very well in the integrated system segment driven by demand of chips for mobile devices while the component business (with higher margins) were affected by lower spending by the DRAM producers.

Raw material and sub-contractor costs declined 31% to S\$14.3 million in 1Q2012 as compared to S\$20.8 million in 1Q2011. Personnel related costs (i.e. employee benefits expense) stood at S\$3.1 million in 1Q2012, a decrease of 3% as compared to S\$3.2 million over the same period a year ago.

Depreciation expenses for 1Q2012 decrease 7% to S\$2.5 million from S\$2.7 million as some of the assets are fully depreciated.

Other charges in 1Q2012 recorded a loss of S\$1.3 million as compared to a loss of S\$0.7 million in 1Q2011. This was due to an exchange loss of S\$1.3 million resulting from the depreciation of the USD during 1Q2012. Additionally, there are lower other (income) as income from Integrated Manufacturing Technologies ("IMT") Group is now eliminated on consolidation upon the successful acquisition of IMT by UMS that was completed in Feb 2012. This acquisition has also resulted in IMT contributing positively to UMS' bottom line in 1Q2012.

In 1Q2012, there is lower tax provision of S\$0.8 million as compared to that of S\$1.5 million in the corresponding period a year ago, which is the result of UMS' pioneer tax incentive for its Penang operations and UMS only begin to recognise the benefit in 2Q2011.

As a result of all of the above, UMS' net profit attributable to equity holders decreased by 20% to S\$6.0 million in 1Q2012 from S\$7.6 million in 1Q2011.

Commenting on its latest results, UMS' Founder and Chief Executive Officer, Mr. Andy Luong, said, **“The recovery since the last quarter of 2011 have continued into the beginning of this year. Many industry analysts have forecasted the growth momentum to go on and expect 2013 to be even better with more capital spending from the major foundries. As part of our strategy to improve cost efficiencies, UMS had begun to enjoy its pioneer tax incentive for the operation in Penang. It is valid for five years with another five-year extension.”**

Dividend Payout Maintained

The Directors have proposed an interim dividend of 1.00 Singapore cent per ordinary share (tax exempt one tier).

In 1Q2012, UMS continued to generate positive operating cash flow of S\$4.1 million and free cash flow of S\$4.0 million, compared to S\$14.3 million and S\$9.3 million respectively in 1Q2011. Correspondingly, UMS' cash conversion ratio (free cash flow as a percentage of net profit) stood at 67% for 1Q2012. The lower ratio as compared to previous quarters' average was mainly due to early payments to vendors to secure better material price and also to ensure availability.

As of 31 March 2012, UMS remained in a strong net cash position with cash and cash equivalents at S\$28.9 million as compared to that of S\$28.0 million as at 31 March 2011.

Signs of Recovery

The decline of the global semiconductor equipment industry which started in the third quarter of calendar year 2011 is showing signs of deceleration. Although the global semiconductor equipment industry has not recovered to the same level of business activity before the decline, the consensual projection for worldwide

semiconductor equipment spending has been revised upwards a few times on the back of better showings from the major equipment makers in the first three months of 2012. This will be further boosted by the higher than expected capital expenditure program budgeted by the global major foundries which will set the tone of a more positive 2012 as compared to the second half of 2011.

In tandem with this global trend, UMS first experienced a pick-up of business activity in 4Q2011 and this improving trend has continued into 1Q2012. Whilst the general outlook of the semiconductor industry is expected to be cautiously positive in 2012, the Group believe that the improving environment will continue to accelerate and the customer order forecasts has also indicated that this momentum is likely to continue into the next 6 months.

Additionally, the recently approved acquisition of Integrated Manufacturing Technologies (IMT) Group will also contribute to the profitability of the group in FY2012 while increasing the range of UMS' capabilities and giving UMS the necessary accreditation to serve more customers.

Commenting on its outlook, UMS' Founder and Chief Executive Officer, Mr. Andy Luong, remarked, **“We are expecting good momentum going forward and have much optimism from our major customer in the semiconductor space. With the improving sentiments in the semiconductor industry and our expanded range of engineering capabilities, we firmly believe that UMS is well poised to achieve greater heights.”**

Footnote: Refer to Gartner Report published on 4-traders.com dated 21 March 2012

#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.