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UMS REPORTS NET PROFIT OF S\$2.1 MILLION IN 3Q2012 AND S\$15.8 MILLION IN 9M2012 WITH GOOD CASH FLOW GENERATION AND PROPOSES DIVIDEND OF SINGAPORE 1.00 CENT

Highlights

- UMS 3Q2012 revenue edged up 6% to S\$23.0 million as demand was affected by the weaker global economy
- UMS 3Q2012 net profit declined 71% to S\$2.1 million, as compared to S\$7.3 million in 3Q2011
- Generated free cash flow of S\$8.1 million in 3Q2012

Financial Highlights:

S\$ (million)	3 months 3Q2012	3 months 3Q2011	Change
Revenue	23.0	21.7	↑ 6%
Profit before tax	2.3	8.0	↓ 71%
Net profit	2.1	7.3	↓ 71%

SINGAPORE, 7 November 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 30 September 2012 ("3Q2012").

In 3Q2012, UMS revenue grew 6% to S\$23.0 million, as compared to S\$21.7 million in the previous corresponding period ("3Q2011"). Quarter-on-quarter, UMS 3Q2012 revenue declined 37%, from S\$36.6 million in the preceding quarter ("2Q2012"). The fragile global economy has weakened consumer demand causing a number of semiconductor equipment end users to review the timing of their investment and capital expenditure programs.

Gross material margin decreased from 58% in 3Q2011 to 54%, as a result of change in product mix. Net profit attributable to equity holders in 3Q2012 declined 71% to S\$2.1 million, from S\$7.3 million a year ago.

This decline in net profit is mainly due to one-off charges and gains over the comparative periods. Other charges/credits recorded a loss of S\$1.7 million in 3Q2012 as compared to a gain of S\$3.9 million in 3Q2011. The gain of S\$3.9 million in 3Q2011 was attributed to an exchange gain and a one-off S\$3.5 million gain on the sale of properties.

In contrast, the loss of S\$1.7 million in 3Q2012 was mainly due to: (1) an exchange loss of S\$0.8 million resulting from the depreciation of USD against SGD during 3Q2012, and (2) a net provision for excess and slow moving inventory of S\$0.7 million,.

9 Months Performance

For the period of 9 months ending 30 September 2012 ("9M2012"), UMS revenue grew by 3% to S\$91.6 million, from S\$89.3 million for the corresponding period a year ago ("9M2011"). Net profit attributable to equity holders in 9M2012 declined 28% to S\$15.8 million, from S\$21.9 million a year ago.

Continued Good Free Cash Flow

Despite the decline in net profit, UMS continued to exhibit its good track record of generating good cash flow. For 3Q2012, UMS generated positive operating cash flow of S\$9.0 million as well as free cash flow of S\$8.1 million, compared to those of S\$7.0 million and S\$6.9 million respectively in 3Q2011.

As of 30 September 2012, UMS net cash and cash equivalents remained positive, standing at S\$16.4 million as compared to that of S\$37.9 million as at 31 December 2011. The decrease is attributed to the acquisition of the IMT Group of companies in the beginning of the year.

Outlook

The decrease in business volume in 3Q2012 compared to the preceding quarter of 2Q2012 is in line with the management's expectation. Previously, the Group had announced that its key customer had revised their forecast downwards for August to October 2012 due to weaker-than-expected demand from the foundries as they hold back their investment plans.

This is a result of weak consumer demand, exacerbated by the continued European crisis and global economic uncertainties. This was particularly evident in the ongoing decline in personal computer sales.

Similarly, sentiments among semiconductor equipment manufacturers remained depressed and the Group does not expect an early recovery in the last quarter of 2012.

UMS will continue to work closely with its major customer to monitor the demand situation for the next few months. Additionally, the Group will continue to take advantage of this period to shift more of its operations to Penang. This will help to reduce operating costs and alleviate the shortage of skilled labour in Singapore.

Commenting on its latest financial performance, UMS' Founder and Chief Executive Officer, Mr Andy Luong remarked: **“The results for latest quarter had been impacted by the continued global economy uncertainties. Many of the major foundries had revised their capital expenditure downwards in recent weeks and this definitely will have an impact on our financial performance for the next couple of months. Despite the lower net profit reported, our operating cash flow remains strong. UMS has always managed production costs and cash flow carefully, ensuring that we can weather economic cycles. Hence, we are able to continue with our good dividend payout for the quarter.”**

#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.