

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3) HALF YEAR AND FULL YEAR ANNOUNCEMENTS

- 1 (a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

UNAUDITED CONSOLIDATED INCOME STATEMENT FOR THE FIRST QUARTER ENDED 31ST MARCH 2008

	Group		Change
	3 months ended	3 months ended	
	31/03/2008	31/03/2007	
	S\$'000	S\$'000	%
Revenue	25,131	36,398	-31%
Net Financial Income / (Expense) (Note (a)) *	(7,144)	412	N.M
Changes in inventories	(1,698)	(1,681)	1%
Raw material purchases and sub-contractors charges	(7,971)	(16,279)	-51%
Employee benefits expenses	(5,834)	(7,381)	-21%
Depreciation expense	(3,206)	(2,442)	31%
Other Expenses (Note (b))	(4,892)	(3,220)	52%
Other Credits / (Charges) (Note (c)) *	(1,579)	(695)	127%
(Loss) / profit before tax	(7,193)	5,112	N.M
Income tax expenses (Note (d))	(26)	542	N.M
(Loss) / profit after tax	(7,219)	5,654	N.M
Minority interests	-	-	N.M
Net (loss) / profit for the period	(7,219)	5,654	N.M

N.M - Not meaningful

*Certain reclassifications have been made to prior year's and 3 months period's numbers to enhance comparability with current year's numbers.

NOTES TO INCOME STATEMENT

Note (a) Net Financial Income and (Expense)

	3 months ended	Group 3 months ended	Change
	31/03/08	31/03/07	
	S\$'000	S\$'000	%
Interest Income	21	70	-70%
Interest Expense	(17)	(119)	-86%
Gain/(Loss) on forward contracts * (Note (i))	(7,148)	461	N.M
Financial income / (expense) net	<u>(7,144)</u>	<u>412</u>	<u>N.M</u>

Note 1(a)(a) (i) - This sum represents unrealised and realised losses of S\$4.9 million and S\$2.2 million as of 31 March 2008 respectively. The actual loss will be fully realised when the positions are closed, in any event no later than July 2008..

Note (b) Other Expenses

	3 months ended	Group 3 months ended	Change
	31/03/08	31/03/07	
	S\$'000	S\$'000	%
Legal and professional fees * (Note (i))	(1,162)	(113)	928%
Rental of factory	(362)	(259)	40%
Utilities	(1,174)	(1,081)	9%
Freight charges	(228)	(248)	-8%
Upkeep of building/office	(140)	(128)	9%
Upkeep of machinery * (Note (ii))	(416)	(186)	124%
Auditors' remuneration	(105)	(100)	5%
Property tax	(44)	(62)	-29%
Others	(1,261)	(1,043)	21%
	<u>(4,892)</u>	<u>(3,220)</u>	<u>52%</u>

Note 1(a)(b) (i) - The substantial increase in legal and professional fees was mainly due to a one-time due diligence fees of about S\$0.8 million that was incurred in relation to a potential new business and fund raising exercise that was subsequently aborted.

Note 1(a)(b)(ii) - The increase in the upkeep of machinery was due to the maintenance of capital intensive machinery carried out during the period.

Note (c) Other Credits / (Charges)

	3 months ended	Group 3 months ended	Change
	31/03/08	31/03/07	
	S\$'000	S\$'000	%
Gain/(Loss) on exchange difference-realised	(83)	189	N.M
Gain/(Loss) on exchange difference-unrealised	(1,424)	(474)	200%
Provision for doubtful debt	-	(5)	-100%
Gain / (Loss) on disposal of property, plant & equipment	1,814	-	N.M
Reversal / (Provision) for obsolete stock	(1,897)	(527)	260%
Others	11	122	-91%
	(1,579)	(695)	127%

Note (d) Income tax expenses

Amount of any adjustment for under or over provision of tax in respect of prior years

	3 months ended	Group 3 months ended	Change
	31/03/08	31/03/07	
	S\$'000	S\$'000	%
Income tax:			
- Current	(26)	(60)	-57%
- Deferred tax credit	-	602	N.M
	(26)	542	N.M

The low effective income tax rate is due to the tax incentives given to certain subsidiaries. The deferred tax credit is for the recognition of tax benefit on tax loss carried forward.

1(b)(i) A balance sheet (for the issuer and the group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31 Mar 2008 S\$'000	31 Dec 2007 S\$'000	31 Mar 2008 S\$'000	31 Dec 2007 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents	22,258	21,356	917	540
Trade and other receivables (Note (ii))	14,255	22,582	16,660	12,763
Inventories	28,290	29,988	-	-
	<u>64,803</u>	<u>73,926</u>	<u>17,577</u>	<u>13,303</u>
Assets classified as held for sale (Note (iii))	5,602	10,702	-	-
	<u>70,405</u>	<u>84,628</u>	<u>17,577</u>	<u>13,303</u>
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	138,985	138,985
Property, plant and equipment (Note (iv))	82,120	72,434	-	-
Available for sale investment	4,818	5,041	-	-
Investment properties	3,534	3,535	-	-
Club membership	53	53	-	-
Goodwill	81,495	81,495	-	-
Other long-term receivables	-	-	1,866	1,865
	<u>172,020</u>	<u>162,558</u>	<u>140,851</u>	<u>140,850</u>
Total Assets	242,425	247,186	158,428	154,153
LIABILITIES AND EQUITY				
Current Liabilities				
Short term borrowings	4,000	-	-	-
Trade and other payables	40,647	39,899	3,414	3,108
Income tax payable	147	60	78	10
Current portion of long-term borrowings	168	1,934	168	267
Current portion of finance leases	9	8	-	-
	<u>44,971</u>	<u>41,901</u>	<u>3,660</u>	<u>3,385</u>
Non Current Liabilities				
Deferred taxation	2,989	2,995	-	-
Long-term borrowings	-	278	-	-
Finance leases	1	4	-	-
Long-term provision	1,200	1,200	-	-
	<u>4,190</u>	<u>4,477</u>	<u>-</u>	<u>-</u>
Total Liabilities	49,161	46,378	3,660	3,385
Share Capital and Reserves				
Share Capital	155,981	155,981	155,981	155,981
Treasury shares	(7,883)	(7,883)	(7,883)	(7,883)
Other reserves	(528)	(203)	124	124
Retained earnings	45,694	52,913	6,546	2,546
Total equity	193,264	200,808	154,768	150,768
Total liabilities and equity	242,425	247,186	158,428	154,153

Note 1 (b)(i)(i) Investment in Subsidiaries

The details of the subsidiaries as at 31 March 2008 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Mar-08 %	31-Dec-07 %	31-Mar-08 S\$'000	31-Dec-07 S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
Norelco Centreline International Pte Ltd (Singapore)	100	100	800	800
NCS Engineering Pte Ltd (Singapore)	100	100	403	403
UMS Semiconductor Pte Ltd (Singapore)	100	100	126,983	126,983
Ultimate Manufacturing Solutions (Suzhou) Co., Ltd (The People's Republic of China)	100	100	2,102	2,102
ASL International Trading, Inc (United States)	100	100	33	33
UMS Aerospace Pte Ltd (Singapore)	100	100	-	-
UMS Solar Pte Ltd (Singapore)	100	100	-	-
Unquoted equity shares, at cost			139,882	139,882
Add: expenses recognized relating to equity settled share-based payments			56	56
Add: corporate guarantee given to subsidiaries			41	41
Less: Provision for impairment			(994)	(994)
			<u>138,985</u>	<u>138,985</u>
<u>Held through Norelco Centreline International Pte Ltd</u>				
Norelco Centreline (KL) Sdn. Bhd (Malaysia)	100	100		
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia)	100	100		
Norelco Centreline (Hong Kong) Pte Limited (Hong Kong)	100	100		
<u>Held through UMS Semiconductor Pte Ltd</u>				
UMS Solutions Pte Ltd				

(Singapore)	100	100
UMS Technology Pte Ltd (Singapore)	100	100
<u>Held through UMS Technology Pte Ltd</u> UMS-TQ Technology (Suzhou) Co., Ltd (The People's Republic of China)	100	100

Note 1(b)(i)(ii) – The reduction in trade and other receivables were mainly due to decreased revenue and reclassification from deposits to fixed asset as the machinery were delivered by the suppliers.

Note 1(b)(i)(iii) – The decrease in the assets classified as held for sale was due to the disposal of the property in Changi South.

Note 1(b)(i)(iv) – The property, plant and equipment have increased by S\$ 9.7 million as a result of the capital expenditure in UMS Aerospace.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31 Mar 2008			As at 31 Dec 2007		
Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
4,177	-	4,177	1,942	-	1,942

Amount repayable after one year

As at 31 Mar 2008			As at 31 Dec 2007		
Secured S\$'000	Unsecured S\$'000	Total S\$'000	Secured S\$'000	Unsecured S\$'000	Total S\$'000
1	-	1	282	-	282

Details of any collateral

The borrowings are secured by the legal charge on the subsidiaries' leasehold properties and corporate guarantee.

- 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

UMS GROUP

	Group	
	3 months ended	
	31/03/08	31/03/07
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss) / profit for the period	(7,219)	5,654
Adjustments for:		
Income tax expense / (credit)	26	(542)
Depreciation expense	3,206	2,442
Gain on disposal of property, plant and equipment	1,814	0
Interest income	(21)	(70)
Interest expense	17	119
Unrealised foreign exchange adjustment loss / (gain)	6,319	(172)
	<hr/>	<hr/>
Operating cash flow before working capital changes	4,142	7,431
Restricted cash	(38)	91
Trade and other receivables	7,618	(4,320)
Inventories	1,698	1,681
Trade and other payables	(9,433)	365
Cash generated from operations	3,987	5,248
Income tax paid	62	(145)
Net cash from operating activities	<hr/> 4,049	<hr/> 5,103
Cash flows from investing activities		
Disposal of property, plant and equipment	3,370	3
Purchase of property, plant and equipment	(6,773)	(1,414)
Interest received	21	70
Net cash used in investing activities	<hr/> (3,382)	<hr/> (1,341)
Cash flows from financing activities		
Increase / (decrease) in borrowings	1,956	(5,219)
Purchase of treasury shares	0	(2,082)
Finance leases payments	(2)	(2)
Interest paid	(17)	(119)
Net cash from / (used in) financing activities	<hr/> 1,937	<hr/> (7,422)
Net effect of exchange rate changes in consolidating subsidiaries	(1,736)	(916)
Net increase / (decrease) in cash and cash equivalents	868	(4,576)
Cash and cash equivalents at beginning of period	21,227	37,084
Cash and cash equivalents at end of period	<hr/> 22,095	<hr/> 32,508

Cash and Cash Equivalents in the Consolidated Cash Flow Statement

	Group	
	3 months ended	
	31-Mar-08	31-Mar-07
	S\$'000	S\$'000
Cash and cash equivalents	22,258	32,508
Restricted Cash	(163)	-
Bank Overdraft	-	-
As above	<u>22,095</u>	<u>32,508</u>

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distribution to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
Group							
As at 1 January 2007	136,989	(3,105)	18,992	145	(299)	49,509	202,231
Changes in equity for first quarter							
Currency translation differences	-	-	-	-	(116)	-	(116)
Total expenses recognised directly in equity	-	-	-	-	(116)	-	(116)
Net profit for the period	-	-	-	-	-	5,654	5,654
Total income and (expenses) recognised for the period	-	-	-	-	(116)	5,654	5,538
Purchase of treasury shares	-	(2,082)	-	-	-	-	(2,082)
As at 31 March 2007	136,989	(5,187)	18,992	145	(415)	55,163	205,687

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total S\$'000
Group							
As at 1 January 2008	155,981	(7,883)	56	145	(404)	52,913	200,808
Changes in equity for first quarter							
Currency translation differences	-	-	-	-	(325)	-	(325)
Total expenses recognised directly in equity	-	-	-	-	(325)	-	(325)
Net loss for the period	-	-	-	-	-	(7,219)	(7,219)
Total expenses recognised for the period	-	-	-	-	(325)	(7,219)	(7,544)
As at 31 March 2008	155,981	(7,883)	56	145	(729)	45,694	193,264

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000
Company					
As at 1 January 2007	136,989	(3,105)	18,992	10,437	163,313
Changes in equity for first quarter					
Purchase of treasury shares	-	(2,082)	-	-	(2,082)
As at 31 March 2007	<u>136,989</u>	<u>(5,187)</u>	<u>18,992</u>	<u>10,437</u>	<u>161,231</u>

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000
Company					
As at 1 January 2008	155,981	(7,883)	124	2,546	150,768
Changes in equity for first quarter					
Net profit for the period	-	-	-	4,000	4,000
Total income recognised for the period	-	-	-	4,000	4,000
As at 31 March 2008	<u>155,981</u>	<u>(7,883)</u>	<u>124</u>	<u>6,546</u>	<u>154,768</u>

- 1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purposes since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital	Group and Company No of ordinary shares	Share capital S\$'000
Balance at beginning of year 1st January 2008	410,139,000	155,981
Issues during the year	-	-
Balance as at 31st March 2008	<u>410,139,000</u>	<u>155,981</u>
<u>Treasury shares:</u>		
Balance at beginning of year 1st January 2008	16,654,000	7,883
Acquired	-	-
Sold	-	-
Used for shares under the share option scheme for staff	-	-
Balance as at 31st March 2008	<u>16,654,000</u>	<u>7,883</u>
Net Balance	<u>393,485,000</u>	<u>148,098</u>

There was no issue of shares for the financial period from 1 Jan 2008 to 31 Mar 2008.

On 10 April 2008, the Company had bought back 32,000,000 ordinary shares from the market, of which 23,511,000 are retained as treasury shares and cancelled the remaining 8,489,000 shares. The number of issued shares after the purchase and cancellation is 401,650,000. The Company is authorized by shareholders to buy up to 10% (37,097,960 shares) of the ordinary share capital of the company.

- 2 **Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.**
The figures have not been audited or reviewed by our independent auditors.
- 3 **Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).**
N.A
- 4 **Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.**
The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period with those adopted in the audited financial statements as at 31 December 2007.
- 5 **If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reason for, and the effect of the change.**
N.A

6 Earnings per ordinary share of the Group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	31/03/2008	31/03/2007
Earnings per share (EPS)		
Based on weighted average number of outstanding ordinary		
(a) shares in issue; and	-1.83 cents	1.50 cents
(b) On a fully diluted basis	-1.83 cents	1.41 cents

For Note 6 above, the basic earnings per share for the latest and previous corresponding period have been calculated based on the weighted average number of 393,485,000 and 377,600,578 outstanding ordinary shares. The diluted earnings per share for the latest and the previous corresponding period have been calculated based on 393,858,516 and 401,787,531 outstanding ordinary shares respectively.

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediate preceding financial year.

	Group		Company	
	31-Mar-08	31-Dec-07	31-Mar-08	31-Dec-07
Net asset per ordinary share based on existing issued share capital as at end of period reported on	49.12 cents	51.03 cents	39.33 cents	38.32 cents

For note 7 above, the net asset per outstanding ordinary share as at the latest period and as at the end of the previous financial year have been calculated based on 393,485,000 outstanding ordinary shares.

8 A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion on the following:

- (a) Any significant factors that affected the turnover, costs and earnings of the Group for the current financial period reported on, including (where applicable) seasonable or cyclical factors; and
- (b) Any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.

Q1 2008 Vs Q1 2007

	3 months ended		Different %
	31-Mar-08 S\$'000	31-Mar-07 S\$'000	
Business Segments			
Contract Equipment Manufacturing (CEM)	6,029	7,519	-20%
Semiconductor	19,102	28,879	-34%
	25,131	36,398	-31%
Geographical Regions			
Singapore	4,205	4,474	-6%
Malaysia	1,532	1,928	-21%
United States of America ('US')	18,672	27,996	-33%
Others (China and other region)	722	2,000	-64%
	25,131	36,398	-31%

COMPARISON OF Q1 FY08 VERSUS Q1 FY07

REVENUE

Revenue for Q1FY08 was S\$25.1 million – 31% lower than the S\$36.4 million recorded in Q1FY07. The lower revenue was largely due to reduced contributions from the semiconductor industry. However, the gross margin improved from 51% in Q1 FY07 to 61% in Q1 FY08. The improvement was mainly attributed to the changing product mix in Semiconductor segment.

The Semiconductor business reported a revenue of S\$19.1 million as compared to S\$28.9 million in the last quarter of FY07 - reflecting the overall softening of the global semiconductor industry.

CEM sales also softened in Q1FY08 to S\$6.0 million compared to S\$7.5 million in Q1FY07.

In terms of geographical markets, sales in all its key markets eased. Revenue from its US operations – its biggest contributor – declined from S\$28.0 million in Q1FY07 to S\$18.7 million in Q1FY08, primarily due to the softer US economy and the weaker semiconductor equipment sector.

PROFITABILITY

The Group's net profit declined from S\$5.7 million in Q1FY07 to a net loss of S\$7.2 million in Q1FY08, primarily due to a S\$7.1 million loss in forward contracts. This sum represents unrealised and realised losses of S\$4.9 million and S\$2.2 million as of 31 March 2008 respectively. In addition, profitability was also affected by the weakening in US dollars that resulted in losses in unrealised foreign exchange. An increase in provision for obsolete stock was also made during the period.

CASH FLOW

The Group's cash flow stayed positive for the quarter (For details, please refer to page 7).

Cash in hand stood at S\$22.3 million for Q1FY08, compared to S\$32.5 million in Q1FY07 due mainly to the increased capital expenditure for the building of the Group's new UMS Aerospace facility in Changi Singapore, and its new manufacturing campus in Penang

9 Where a forecast, or prospect statement has been previously disclosed to the shareholders, any variance between it and the actual results.

Not Applicable

10 A commentary at the date of announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

The global semiconductor equipment industry is expected to remain soft for 2008. According to SEMI, this trend reflects the uncertainty in the overall semiconductor industry and the current US economic conditions

Going forward, the Group is poised to benefit from its new business forays. Our UMS Aerospace facility at Changi is now ready to take on contracts for global aerospace companies and we will continue to secure more contracts in the oil and gas sector – especially with the soaring oil prices and the frantic pace of Energy and Petroleum (E&P) projects.

Our Penang campus is progressing well and will be able to provide greater cost efficiencies for our core business segments. The campus is due to be completed and up for production by FY2009. The Penang plant is qualified by a Canadian solar energy giant for the production of solar chambers. This will signify our nascent entry into the renewable energy sector.

While the global semiconductor industry's visibility in the next 12 months remains unclear, that will not stop us from extending our Merge-In Transit (MIT) System Integration to take on bigger value projects with better margins. The Group will continue to look for new opportunities to improve our CEM business as well.

Barring any unforeseen circumstances and having reviewed management's internal forecast, the Board of Directors are optimistic that the Group will be profitable in FY08.

11 Dividend

i. Whether an interim (final) ordinary dividend has been declared (recommended);

Current Financial Period Reported On:

Any dividend declared for the present financial period? N.A

Name of Dividend: N.A

Dividend Type: N.A

Dividend Amount per Share: N.A

Par Value of Shares: N.A

Corresponding Period of Immediately Preceding Financial Year:

Any dividend declared for the previous corresponding period of the immediately preceding financial year? N.A

Name of Dividend: N.A

Dividend Type: N.A

Dividend Amount per Share: N.A

Par Value of Shares: N.A

ii. The date the dividend is payable

N.A

iii. The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

N.A

12 If no dividend has been declared/recommended, a statement to that effect.

N.A

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13 Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.

N.A

14 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

N.A

15 A breakdown of sales as follows:

	2008 S\$'000	Group 2007 S\$'000	Change %	2008 S\$'000	Company 2007 S\$'000	Change %
(a) Sales reported for first half	N.A	N.A	N.A	N.A	N.A	N.A
(b) Operating profit/loss after tax before deducting minority interests reported for first half year	N.A	N.A	N.A	N.A	N.A	N.A
(c) Sales reported for second year	N.A	N.A	N.A	N.A	N.A	N.A
(d) Operating profit/loss after tax before deducting minority interests reported for second half year	N.A	N.A	N.A	N.A	N.A	N.A

16 A breakdown of total annual dividend (in dollar value) of the issuer’s latest full year and its previous full year.

	Latest Full year S\$'000	Previous Full Year S\$'000
Ordinary	-	-
Preference	-	-
Total	-	-

17 Negative assurance on interim financial statements

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to their attention which may render the 1Q 2008 financial results to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer
15 May 2008