

**UMS HOLDINGS LIMITED**  
Company Registration No: 200100340R  
(Incorporated in the Republic of Singapore)

**FURTHER INFORMATION PERTAINING TO THE ANNOUNCEMENT  
MADE ON 1 MARCH 2010**

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We refer to the queries raised by the Singapore Exchange Limited in its letter dated 8 March 2010 in relation to our announcement made on 1 March 2010 and our responses are as follow:

**SGX Query (a):**

**We note on Pg 3 of the results announcement that the Company recorded an amount of S\$3.5m as “Provision for obsolete stock”, representing an increase of 86% from FY2008’s provision of S\$1.9m. Please elaborate on the nature of such obsolete stock and the circumstances giving rise to the provision.**

**Company response:**

The management deemed it prudent to appropriately increase provision for the year due to the financial crisis in view of the higher inventory risks that the Group was exposed to.

**SGX Query (b):**

**We note on Pg 3 of the results announcement that the Company's recorded an "Impairment of goodwill" amounting to S\$20m, which contributed significantly to the Company's loss before tax of S\$25.3m. In respect of the above, to provide the following information:-**

- (i) Elaborate on the underlying asset to which the goodwill relates to; and**
- (ii) Elaborate on the circumstances giving rise to the goodwill.**

**Company response:**

- (i) The goodwill arose on the acquisition of UMS Pte Ltd (previously known as UMS Semiconductor Pte Ltd) and its subsidiaries on 1 April 2004.
- (ii) The goodwill arose because the cost of acquiring UMS Pte Ltd and its subsidiaries was in excess of the fair value of the Company's share of their identifiable assets, liabilities and contingent liabilities, at the date of acquisition.

The goodwill impairment in 2QFY09 was calculated based on the recoverable amounts of UMS Pte Ltd and its subsidiaries, value in use calculation using forecast earnings and cash flows at that time.

**By Order of the Board  
UMS HOLDINGS LIMITED**

**Andy Luong  
Chief Executive Officer**

**Date: 9 March 2010**