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NEWS RELEASE

UMS HOLDINGS REMAINS PROFITABLE FOR Q3FY08 AND FOR FIRST NINE MONTHS OF FY08

- Net profit of S\$0.91 million and turnover of S\$21.2 million for Q3FY08
- Net profit of S\$1.17 million and turnover of S\$75.9 million for nine months ended September 30, 2008

Singapore, November 7 2008 – Despite challenging conditions in the global semiconductor industry and the global financial markets, mainboard-listed **UMS Holdings Limited (“UMS” or “The Group”)**, a turnkey contract equipment manufacturer, remains profitable in both Q3FY08 and the first nine months of FY08.

Today, it reported a 55% fall in net profit to S\$0.91 million on a 41% decrease in turnover to S\$21.2 million for the third quarter of FY2008 (Q3FY08).

However, the Group enjoyed higher gross margin of 62.0% in 3QFY08 versus 57.4% in 3QFY07. This was due to changing sales mix.

The decrease in net profit reflected largely the Group’s lower turnover. For the nine months ended September 30, 2008 (9MFY08), the Group reported a 89% decline in net profit to S\$1.17 million on a 29% reduction in turnover to S\$75.9 million.

Compared with net profit of S\$0.25 million for H1FY08, the Group’s Q3FY08’s performance was decidedly better. This was mainly due to cost cutting initiatives pursued by the Group, as well as the improved gross margin arising from the group’s changing sales mix.

Because of the lower net profit, Group Earnings Per Share (EPS) fell from 0.55 cents in Q3FY07 to 0.28 cents in Q3FY08, while Net Asset Value (NAV) rose to 52.56 cents in the first nine months of FY08 compared to 51.03 cents in the corresponding period in FY07.

The Group's cash position remains positive. Its cash and cash equivalents stood at S\$15.0 million in the nine months ended Sep 30, 2008, down from S\$25.7 million in the same period of FY07.

The lower cash level was attributed to the expansion plans undertaken by the Group. The Group incurred capital expenditure to buy machinery for UMS Aerospace, building costs for the Group's new facilities in Penang, and the acquisition of UMS shares under the Group's share buy back scheme where 32 million shares were acquired for S\$8.0 million in April 2008. In addition, dividends of S\$3.6 million were paid in the first half of FY08.

Segmental Analysis

Reflecting the softer market conditions, both the Group's core businesses in semiconductor and contract equipment manufacturing (CEM) reported lower sales and earnings.

Revenue contributions from the Group's semiconductor business eased 41.6% to S\$16.9 million in Q3FY08 and fell 30.4% to S\$59.0 million in the nine months ended Sep 30, 2008 compared to same comparative periods in FY07.

Revenue contributions from the CEM division also contracted by 39.3% in Q3FY08 to S\$4.3 million, while that for the 9 months ended Sep 30 2008 eased 23.2% to S\$16.9 million.

Geographical Analysis

Geographically, all markets except Malaysia reported lower sales in 9MFY08 and Q3FY08 compared to their previous corresponding periods.

In Q3FY08, Malaysia experienced a significant revenue jump of 754.1% to S\$3.1 million from S\$0.36 million in Q3FY07. For 9MFY08, it saw a 128.4% increase in revenue contributions to S\$7.3 million from S\$3.1 million in 9MFY07. These higher sales were mainly due to an increase in orders from a key customer.

Group Outlook

Looking ahead, the Group expects the global semiconductor equipment industry to remain soft for 2008 because of weaker demand.

Market research firm iSuppli says signs appeared in September 2008 that the semiconductor market is feeling the impact of the global credit crisis and economic downturn. Profitability has also been shrinking steadily since 2004, with net profits having fallen now in the single-digit range in 2008, it said.

Market research groups Gartner and IC Insights have also reported that the current slowdown is expected to continue into 2009 before the industry recovers in 2010. According to them, current capital spending plans by semiconductor manufacturers worldwide will also fall 15% to US\$51.7 billion in 2008 from US\$60.9 billion in 2007.

Despite this, UMS is well positioned to benefit from the continued growth and success of its key customers.

Said Mr. Andy Luong, Chief Executive Officer of UMS, "In the light of these market conditions, the Group will evaluate its strategy in various markets and to capitalise on opportunities to add value to stakeholders.

"Currently, the construction of the Group's Penang facility is progressing well and will be able to provide greater cost savings and more capacity for our core business segments when the campus is completed by the first half of FY2009.

"We are also well-positioned to benefit from the continued growth and success of our key customers, including Applied Materials, Inc. ("AMAT"), which has also recently reaffirmed its commitment to support Singapore's strong chip manufacturing industry by setting up its new Singapore operations facility that will serve as a hub for AMAT's business activities throughout Asia. The 32,000 square meter facility in the Changi North Industrial Park is expected to be completed in late 2009.

"In the medium term, the Group will continue to pursue more projects in the semiconductor and CEM sectors such as the Merge-In-Transit (MIT) integrated system and to provide services to the Oil and Gas and Aerospace, industries that continue to show growth potential."

Barring any unforeseen circumstances and having taken into consideration the management's internal forecast, the Board of Directors remains optimistic that the

Group will be profitable for FY08.

About UMS Holdings Limited

UMS Holdings Limited engages in manufacturing of mission-critical high precision components, and complex electromechanical assembly and final testing. It serves the semiconductor equipment manufacturers, aerospace and oil field precision component manufacturers and other industries.

Headquartered in Singapore, the Group has production facilities in Singapore, Malaysia and China as well as offices in Fremont and Austin, USA.

UMS Holdings has also launched into the aerospace and oil & gas sectors to capture the higher value-added manufactured components capitalizing on its core competencies in precision machining.

Issued on behalf of UMS Holdings Limited

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