

UMS HOLDINGS LIMITED
COMPANY REGISTRATION NO: 200100340R
Third Quarter Financial Statement And Dividend Announcement

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 PERIOD ENDED 30 SEPTEMBER 2010

	Group					
	3Q			9 Months Ended		
	30-Sep-10 S\$'000	30-Sep-09 S\$'000	Change %	30-Sep-10 S\$'000	30-Sep-09 S\$'000	Change %
Revenue	35,222	11,406	209%	95,230	30,271	215%
Net finance expenses (Note (a))	(93)	(152)	-39%	(403)	(390)	3%
Changes in inventories	2,890	354	716%	12,764	(3,702)	N.M
Raw material purchases and sub-contractors	(17,287)	(4,419)	291%	(55,597)	(8,443)	558%
Employee benefits expense	(3,537)	(1,324)	167%	(9,899)	(5,008)	98%
Depreciation expense	(3,299)	(2,833)	16%	(8,917)	(8,905)	0%
Other expenses (Note (b))	(2,730)	(2,048)	33%	(7,766)	(5,644)	38%
Other charges (Note (c))	(1,703)	(924)	84%	(877)	(24,186)	-96%
Profit/ (Loss) before income tax	9,463	60	15672%	24,535	(26,007)	N.M
Income tax (expense)/ credit (Note (d))	(1,878)	59	N.M	(4,848)	536	N.M
Profit/(Loss) for the period from continuing operations	7,585	119	6274%	19,687	(25,471)	N.M
Attributable to:						
Equity holders of the Company	7,585	119	6274%	19,687	(25,471)	N.M
Non-controlling interests	-	-	N.M	-	-	N.M
	7,585	119	6274%	19,687	(25,471)	N.M
Earnings/ (losses) per ordinary share (in cents) - basic and diluted	2.20	0.03	7233%	5.62	-7.19	N.M

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-10	30-Sep-09	Change	30-Sep-10	30-Sep-09	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Interest income	8	24	-67%	21	46	-54%
Interest expense	(101)	(176)	-43%	(424)	(436)	-3%
Finance expenses - net	(93)	(152)	-39%	(403)	(390)	3%

Note (b) Other expenses

	Group					
	3Q			9 Months Ended		
	30-Sep-10	30-Sep-09	Change	30-Sep-10	30-Sep-09	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Legal and professional fees	(93)	27	N.M	(285)	(143)	99%
Rental expense (includes leasing of land)	(361)	(398)	-9%	(1,048)	(1,059)	-1%
Utilities (Note (i))	(1,152)	(800)	44%	(3,306)	(1,983)	67%
Freight charges (Note (i))	(301)	(93)	224%	(826)	(236)	250%
Upkeep of properties	(92)	(10)	820%	(242)	(143)	69%
Upkeep of machinery (Note (ii))	(300)	(254)	18%	(807)	(593)	36%
Others	(431)	(520)	-17%	(1,252)	(1,487)	-16%
	(2,730)	(2,048)	33%	(7,766)	(5,644)	38%

Note 1(a)(b)(i) - The increase in utilities and freight charges were mainly due to higher production volume during the period.

Note 1(a)(b)(ii) - The increase in the upkeep of machinery was mainly due to the increased machinery maintenance carried out and as a result of higher production volume during 3QFY2010.

Note (c) Other (charges)/ credits

	Group					
	3Q			9 Months Ended		
	30-Sep-10	30-Sep-09	Change	30-Sep-10	30-Sep-09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Loss on exchange difference	(1,636)	(1,009)	62%	(675)	(2,152)	-69%
Gain on disposal of assets classified as held for sale (Note (i))	-	-	N.M	36	-	N.M
Gain on disposal of property, plant & equipment	-	-	N.M	-	12	-100%
Loss on liquidation of subsidiary (Note (ii))	-	-	N.M	(40)	-	N.M
Property, plant & equipment written off	-	(17)	-100%	-	(17)	-100%
(Provision)/ write back for obsolete stock	(153)	78	N.M	(460)	(2,273)	-80%
Impairment of goodwill	-	-	N.M	-	(20,000)	-100%
Others	86	24	258%	262	244	7%
	(1,703)	(924)	84%	(877)	(24,186)	-96%

Note 1(a)(c)(i) - This relates to the disposal of factory building in Penang, Malaysia in January 2010.

Note 1(a)(c)(ii) - Voluntary liquidation of Norelco Centreline (KL) Sdn Bhd, a wholly-owned subsidiary of the Company's wholly-owned subsidiary UMS International Pte Ltd, was completed on 27 May 2010.

Note (d) Income tax

	Group					
	3Q			9 Months Ended		
	30-Sep-10	30-Sep-09	Change	30-Sep-10	30-Sep-09	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(1,878)	7	N.M	(4,848)	(59)	8117%
- Deferred tax	-	52	-100%	-	595	-100%
	(1,878)	59	N.M	(4,848)	536	N.M

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

	Group		Company	
	30 Sep 2010 S\$'000	31 Dec 2009 S\$'000	30 Sep 2010 S\$'000	31 Dec 2009 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents (Note (ii))	14,205	24,678	77	922
Trade receivables and other current assets (Note (iii))	15,911	11,120	8,537	7,836
Inventories (Note (iv))	38,012	25,248	-	-
	<u>68,128</u>	<u>61,046</u>	<u>8,614</u>	<u>8,758</u>
Asset classified as held for sale (v)	-	630	-	-
	<u>68,128</u>	<u>61,676</u>	<u>8,614</u>	<u>8,758</u>
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	146,662	136,662
Property, plant and equipment	71,385	76,214	-	-
Investment property	3,670	3,838	-	-
Financial assets, held-to-maturity	4,580	4,891	-	-
Goodwill	60,702	60,702	-	-
Other long-term loan receivables	-	-	-	-
	<u>140,337</u>	<u>145,645</u>	<u>146,662</u>	<u>136,662</u>
Total Assets	208,465	207,321	155,276	145,420
LIABILITIES AND EQUITY				
Current Liabilities				
Short term borrowing	-	2,000	-	-
Trade and other payables	17,546	19,675	6,165	749
Income tax payable	5,531	691	81	81
Current portion of long-term borrowing (Note (vi))	-	670	-	-
Current portion of finance leases obligation (Note (vii))	4,952	4,773	-	-
	<u>28,029</u>	<u>27,809</u>	<u>6,246</u>	<u>830</u>
Non Current Liabilities				
Deferred taxation	2,549	2,538	-	-
Long-term borrowing (Note (vi))	-	7,289	-	-
Finance leases obligation (Note (vii))	3,560	5,653	-	-
Long-term provision *	1,200	1,200	-	-
	<u>7,309</u>	<u>16,680</u>	<u>-</u>	<u>-</u>
Total Liabilities	35,338	44,489	6,246	830
Capital and Reserves				
Share Capital	136,623	152,822	136,623	152,822
Treasury shares	-	(13,494)	-	(13,494)
Other components of equity	(1,211)	(1,504)	85	85
Retained earnings	37,715	25,008	12,322	5,177
Total equity	173,127	162,832	149,030	144,590
Total liabilities and equity	208,465	207,321	155,276	145,420

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 30 September 2010 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	30-Sep-2010 %	31-Dec-2009 %	30-Sep-2010 S\$'000	31-Dec-2009 S\$'000
<u>Held by the Company</u>				
UMS Systems Pte Ltd (Singapore)	100	100	9,561	9,561
UMS International Pte Ltd (Singapore)	100	100	800	800
NCS Engineering Pte Ltd (Singapore)	100	100	403	403
UMS 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	10,000	-
UMS Solar Pte Ltd (Singapore) *	100	100	-	-
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia) *	100	100	-	-
Unquoted equity shares, at cost			149,882	139,882
Add: expenses recognized relating to equity settled share-based payments			42	42
Add: corporate guarantee given to subsidiaries			56	56
Less: Provision for impairment			(3,318)	(3,318)
			146,662	136,662
<u>Held through UMS International Pte Ltd</u>				
Norelco Centreline (KL) Sdn. Bhd. (Malaysia)	-	100		
Ultimate Manufacturing Solutions (M) Sdn. Bhd. (Malaysia)	100	100		
Norelco Centreline (Hong Kong) Pte Limited (Hong Kong)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
A1 Metal Sdn. Bhd. (Malaysia)	100	-		

* Less than S\$1,000.

Note 1(b)(i)(ii) – The decrease in cash and cash equivalents by S\$10.5 million was mainly due to repayment of bank borrowings, share buy back and dividend paid during the period.

Note 1(b)(i)(iii) – The increase in trade and other receivables by S\$4.8 million was mainly due to higher sales.

Note 1(b)(i)(iv) – The increase in the inventories by S\$12.8 million was due to higher purchases to meet customer orders in the coming months.

Note 1(b)(i)(v) – This relates to a factory building in Penang, Malaysia. The sale of the factory was completed in January 2010.

Note 1(b)(i)(vi) – The long-term borrowing was fully settled during the period.

Note 1(b)(i)(vii) – The total decrease in finance lease obligation by S\$1.9 million was due to repayments made during the period partially offset by the drawdown of hire purchase loans for new machineries 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 30 Sep 2010			As at 31 Dec 2009		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
4,952	-	4,952	5,443	2,000	7,443

Amount repayable after one year

As at 30 Sep 2010			As at 31 Dec 2009		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
3,560	-	3,560	12,942	-	12,942

Details of any collateral

The Group's borrowings comprise mainly term loans and finance leases. The long-term borrowing was secured by a fixed charge over the freehold land and building of a subsidiary. The finance leases are secured by mortgages over the plant and machinery of a subsidiary.

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

	Group			
	3Q		9 Months Ended	
	30-Sep-10 S\$'000	30-Sep-09 S\$'000	30-Sep-10 S\$'000	30-Sep-09 S\$'000
Cash flows from operating activities				
Net profit/(loss) before income tax	9,463	60	24,535	(26,007)
Adjustments for:				
Impairment of goodwill	-	-	-	20,000
Depreciation expense	3,299	2,833	8,917	8,905
Gain on disposal of property, plant and equipment	-	-	-	(12)
Provision/ (write back) for obsolete stock	153	(78)	460	2,273
Property, plant and equipment written off	-	17	-	17
Gain on disposal of assets classified as held for sale	-	-	(36)	-
Loss on liquidation of subsidiary	-	-	40	-
Interest income	(8)	(24)	(21)	(46)
Interest expense	101	176	424	436
Unrealised foreign exchange loss/ (gain)	1,730	(89)	468	991
	14,738	2,895	34,787	6,557
Operating cash flow before working capital changes				
Trade and other receivables	25	(3,358)	(6,580)	(2,213)
Inventories	(3,043)	(354)	(13,224)	3,702
Trade and other payables	217	3,157	3,190	(3,144)
Cash generated from operations	11,937	2,340	18,173	4,902
Income tax paid	-	2	-	(38)
Net cash generated from operating activities	11,937	2,342	18,173	4,864
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	-	-	-	13
Purchase of property, plant and equipment	(3,038)	(2,472)	(5,934)	(9,754)
Proceeds from disposal of assets classified as held for sale	-	-	706	-
Interest received	8	24	21	46
Net cash used in investing activities	(3,030)	(2,448)	(5,207)	(9,695)
Cash flows from financing activities				
(Repayment of)/Proceeds from borrowings	-	(3,093)	(9,959)	2,842
Dividends Paid	(3,438)	-	(6,980)	(1,771)
Share buy-back and cancelled	(205)	-	(2,705)	-
(Repayment of)/ proceeds from obligation under finance leases	(1,358)	1,206	(1,914)	2,899
Fixed deposit - restricted	1	3	(53)	22
Interest paid	(101)	(176)	(424)	(436)
Net cash (used in)/ generated from financing activities	(5,101)	(2,060)	(22,035)	3,556
Net effect of exchange rate changes	(691)	(126)	(1,457)	91
Net increase/ (decrease) in cash and cash equivalents	3,115	(2,292)	(10,526)	(1,184)
Cash and cash equivalents at beginning of the period	10,856	19,914	24,497	18,806
Cash and cash equivalents at end of the period	13,971	17,622	13,971	17,622
Fixed deposit - restricted in use			234	284
Cash and cash equivalents in the Balance Sheet			14,205	17,906

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

	Group					
	3Q			9 Months Ended		
	30-Sep-10 S\$'000	30-Sep-09 S\$'000	Change %	30-Sep-10 S\$'000	30-Sep-09 S\$'000	Change %
Profit/ (Loss) for the period	7,585	119	6274%	19,687	(25,471)	N.M
Currency translation loss	(159)	(125)	27%	293	(399)	N.M
Total comprehensive income/ (expenses) for the period	7,426	(6)	N.M	19,980	(25,870)	N.M
Attributable to:						
Equity holders of the Company	7,426	(6)	N.M	19,980	(25,870)	N.M
Minority interests	-	-	N.M	-	-	N.M

1(e)(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	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group						
As at 1 January 2009	152,822	(13,496)	51	(1,205)	51,109	189,281
Changes in equity for first quarter						
Loss for the period	-	-	-	-	(2,673)	(2,673)
Other comprehensive income for the period	-	-	-	142	-	142
Total comprehensive expenses for the quarter	-	-	-	142	(2,673)	(2,531)
As at 31 March 2009	152,822	(13,496)	51	(1,063)	48,436	186,750
Changes in equity for second quarter						
Loss for the period	-	-	-	-	(22,917)	(22,917)
Other comprehensive income for the period	-	-	-	(416)	-	(416)
Total comprehensive expenses for the quarter	-	-	-	(416)	(22,917)	(23,333)
Dividend paid	-	-	-	-	(1,771)	(1,771)
As at 30 June 2009	152,822	(13,496)	51	(1,479)	23,748	161,646
Changes in equity for third quarter						
Profit for the period	-	-	-	-	119	119
Other comprehensive income for the period	-	-	-	(125)	-	(125)
Total comprehensive expenses for the quarter	-	-	-	(125)	119	(6)
Share-based payments granted to employees	-	2	-	-	(2)	-
As at 30 September 2009	152,822	(13,494)	51	(1,604)	23,865	161,640

	Share Capital S\$'000	Treasury Shares S\$'000	Statutory Reserve S\$'000	Foreign Exchange Translation Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Group						
As at 1 January 2010	152,822	(13,494)	51	(1,555)	25,008	162,832
Changes in equity for first quarter						
Profit for the period	-	-	-	-	4,622	4,622
Other comprehensive income for the period	-	-	-	332	-	332
Total comprehensive income for the quarter	-	-	-	332	4,622	4,954
Cancellation of shares	(13,494)	13,494	-	-	-	-
As at 31 March 2010	139,328	-	51	(1,223)	29,630	167,786
Changes in equity for second quarter						
Profit for the period	-	-	-	-	7,480	7,480
Other comprehensive income for the period	-	-	-	120	-	120
Total comprehensive income for the quarter	-	-	-	120	7,480	7,600
Purchase of treasury shares	-	(2,500)	-	-	-	(2,500)
Dividend paid	-	-	-	-	(3,542)	(3,542)
As at 30 June 2010	139,328	(2,500)	51	(1,103)	33,568	169,344
Changes in equity for third quarter						
Profit for the period	-	-	-	-	7,585	7,585
Other comprehensive income for the period	-	-	-	(159)	-	(159)
Total comprehensive income for the quarter	-	-	-	(159)	7,585	7,426
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	-	(205)
Dividend paid	-	-	-	-	(3,438)	(3,438)
As at 30 September 2010	136,623	-	51	(1,262)	37,715	173,127

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company					
As at 1 January 2009	152,822	(13,496)	68	9,024	148,418
Changes in equity for first quarter					
Loss for period	-	-	-	(2,107)	(2,107)
Total comprehensive expenses for the quarter	-	-	-	(2,107)	(2,107)
As at 31 March 2009	152,822	(13,496)	68	6,917	146,311
Changes in equity for second quarter					
Loss for period	-	-	-	(988)	(988)
Total comprehensive expenses for the quarter	-	-	-	(988)	(988)
Dividends paid	-	-	-	(1,771)	(1,771)
As at 30 June 2009	152,822	(13,496)	68	4,158	143,552
Changes in equity for third quarter					
Profit for period	-	-	-	116	116
Total comprehensive expenses for the quarter	-	-	-	116	116
Share-based payments granted to employees	-	2	-	(2)	-
As at 30 September 2009	152,822	(13,494)	68	4,272	143,668

	Share Capital S\$'000	Treasury Shares S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Company					
As at 1 January 2010	152,822	(13,494)	85	5,177	144,590
Changes in equity for first quarter					
Loss for the period	-	-	-	(291)	(291)
Total comprehensive expenses for the quarter	-	-	-	(291)	(291)
Cancellation of shares	(13,494)	13,494	-	-	-
As at 31 March 2010	139,328	-	85	4,886	144,299
Changes in equity for second quarter					
Profits for the period	-	-	-	4,646	4,646
Total comprehensive expenses for the quarter	-	-	-	4,646	4,646
Purchase of treasury shares	-	(2,500)	-	-	(2,500)
Dividend paid	-	-	-	(3,542)	(3,542)
As at 30 June 2010	139,328	(2,500)	85	5,990	142,903
Changes in equity for third quarter					
Profits for the period	-	-	-	9,770	9,770
Total comprehensive expenses for the quarter	-	-	-	9,770	9,770
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	(205)
Dividend paid	-	-	-	(3,438)	(3,438)
As at 30 September 2010	136,623	-	85	12,322	149,030

- 1(e) (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 well as the number of shares held as treasury shares of the issuer, if any, against the total number of issued shares excluding treasury shares of the issuer, 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 as at 1 January 2010	393,604,284	152,822
Cancellation of shares during the year	(49,849,957)	(16,199)
Balance as at 30 September 2010	<u>343,754,327</u>	<u>136,623</u>
Treasury shares		
Balance as at 1 January 2010	39,370,957	13,494
Acquisition	9,979,000	2,500
Cancellation	(49,349,957)	(15,994)
Balance as at 30 September 2010	<u>-</u>	<u>-</u>

There was no issue of shares for the financial period from 1st January 2010 to 30 September 2010. On 3 March 2010, the Company cancelled 39,370,957 shares. These shares were previously held as treasury shares. In June 2010, the Company bought back in total 9,979,000 ordinary shares from the market. Subsequently, the Company cancelled the entire number of shares bought back. In August 2010, the Company bought back 500,000 ordinary shares from the market and cancelled the entire number of shares bought back. The number of issued shares after the purchase and cancellation is 343,754,327. The Company is authorized by shareholders to buy up to 10% shares of the ordinary share capital of the Company.

- 1(e)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2010 was 343,754,327 (31 December 2009: 354,233,327).

- 1(e)(iv) A statement showing all sales, transfers, disposals, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

Treasury shares	Group and Company	
	No of ordinary shares	Share capital S\$'000
Balance as at 1 January 2010	39,370,957	13,494
Acquisition	9,979,000	2,500
Cancellation	(49,349,957)	(15,994)
Balance as at 30 September 2010	<u>-</u>	<u>-</u>

On 3 March 2010, the Company cancelled 39,370,957 treasury shares. In June 2010, the Company bought back in total 9,979,000 shares from the market and cancelled them subsequently.

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 external auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including and qualifications or emphasis of matter).

Not applicable.

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 adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2010. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or revised FRS that are relevant to the Group:

Amendments to FRS 39	Financial Instruments: Recognition and Measurement
FRS 24 (Revised)	Related Party Disclosures
FRS 27 (Revised)	Consolidated and Separate Financial Statements
FRS 103 (Revised)	Business Combinations

The adoption of the above FRS and INT FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.

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.

See 4 above.

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.

Earnings/ (losses) per share (EPS)	Group			
	3Q 30-Sep-10	30-Sep-09	9 Months Ended 30-Sep-10	30-Sep-09
(a) Based on weighted average number of outstanding ordinary shares in issue; and	2.20 cents	0.03 cents	5.62 cents	-7.19 cents
(b) On a fully diluted basis	2.20 cents	0.03 cents	5.62 cents	-7.19 cents

For Note 6 above, the basic earnings per share for the 9 months ended 2010 and previous corresponding period have been calculated based on the weighted average number of 350,258,774 and 354,229,276 of outstanding ordinary shares. Basic earning per share for 3Q and the previous corresponding period have been calculated based on the weighted average number of 343,988,023 and 354,230,487 of outstanding ordinary shares respectively. The diluted earnings per share for 9 months ended 2010 and the previous corresponding period have been calculated based on 350,258,774 and 354,229,276 of outstanding ordinary shares respectively. The diluted earnings per share for 3Q and the previous corresponding period have been calculated based on 343,988,023 and 354,230,487 of 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	
	30-Sep-10	31-Dec-09	30-Sep-10	31-Dec-09
Net asset per ordinary share based on existing issued share capital as at end of period reported on	50.36 cents	45.97 cents	43.35 cents	40.82 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 343,754,327 and 354,233,327 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.**

9 months 2010 vs 9 months 2009

	Group		
	9 Months Ended		
	30-Sep-10	30-Sep-09	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	8,372	7,032	19%
Semiconductor component and systems(Semicon)	86,858	23,239	274%
	95,230	30,271	215%
Geographical Regions			
Singapore	49,712	3,820	1201%
United States of America ('US')	30,019	18,891	59%
Others	15,499	7,560	105%
	95,230	30,271	215%

3QFY2010 vs 3QFY2009

	3Q		
	30-Sep-10	30-Sep-09	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	3,286	278	1082%
Semiconductor component and systems(Semicon)	31,936	11,128	187%
	35,222	11,406	209%
Geographical Regions			
Singapore	17,670	1,989	788%
United States of America ('US')	11,178	6,566	70%
Others	6,374	2,851	124%
	35,222	11,406	209%

Revenue

The Group's revenue performance for the periods under review was driven by our two main business divisions – Contract Equipment Manufacturing (CEM) and semiconductor components and systems. In line with the strategy to shift towards production and assembly of higher-value integrated semiconductor systems, the Group has been working closely with a major customer to produce more of these systems as opposed to semiconductor equipment components.

While the Group had started to see results from the end of FY2009, the ramp-up in production was most significant in the quarter under review. Accordingly, semiconductor-related revenue for 3Q rose 187% to S\$31.9 million from S\$11.1 million. On a nine-month basis, it grew 274% to S\$86.9 million in 9M10 from S\$23.2 million in 9M09. The company's strategic shift towards integrated semiconductor systems has come at a time of continued pent-up demand in the sector. Coinciding with this trend, several major global semiconductor players are also increasingly outsourcing their production to lower-cost Asian countries, benefiting UMS.

In terms of geographical contribution, while the Group exports many semiconductor component to United States., its sales of integrated semiconductor systems are to a major customer in Singapore. Reflecting the increase in semiconductor systems sales, revenue contribution from Singapore rose 788% to S\$17.7 million for 3Q10 and 1201% to S\$49.7 million for 9M10.

Profitability

Net profit attributable to shareholders rebounded sharply on the back of the strong surge in revenue resulting from the robust recovery in the global semiconductor industry.

For the first 9 months of the year, Group net profit showed a sharp turnaround to S\$19.7 million reversing a loss of S\$25.5 million in the previous year.

For 3QFY2010, Group net profit leapt to S\$7.6 million compared to S\$0.12 million in the same period last year.

Cash flow

The Group continued to generate positive cash flow. The Group generated positive net cash from operating activities of S\$11.9 million in 3QFY2010, an increase of 410% from the S\$2.3 million generated in 3QFY2009.

The cash conversion ratio (as percentage of PBT) is 126% - demonstrating the Group's proven ability to generate strong cash flow.

Cash and cash equivalents remained healthy. The Group's cash and cash equivalents for 3QFY2010 stood at S\$14 million after paying 2010 interim dividend and the acquisition of UMS shares (share buy-back), all of which totaled about S\$3.6 million. In all, for the first 9 months of the year, the Group was able to pay off \$19.6 million comprising the settlement of its term loan in Malaysia, dividend payments and the acquisition of UMS shares.

Group earnings per share (EPS) as at end 3QFY2010 rose to 2.20 cents from 0.03 cents while its net asset value (NAV) increased to 50.36 cents as at 30 September 2010 from 45.63 cents as at 30 September 2009. Group EPS in the first 9 months of the year rebounded to 5.62 cents from a loss of 7.19 cents.

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

We are in line with our previous announcement.

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 overall global semiconductor industry has rebounded impressively since 3Q09.

However, bookings rates, which increased sharply over the past year, have eased in August and September. While the overall trends are still expected to remain positive, UMS has maintained a vigil against market risks. The Group believes that any slowdown in the global semiconductor business is likely to be accompanied by increased outsourcing of production to Asia at a time when the region continues to show strong demand for this industry. The growth is coming from emerging chip sector players in China, Taiwan, South Korea as well as Singapore.

Accordingly, the Group has embarked on a strategic shift to ride on this outsourcing trend, which could see UMS expanding its geographical presence for manufacturing of components in markets such as South Korea as well as in exploring possible M&A opportunities there. This geographical expansion is in line with corporate moves being undertaken by the Group including the recent announcement of a potential dual listing on the Korean Stock Exchange, details of which was announced on the SGXNET on 20 October 2010. As our cash position remains very strong, we will be able to seize opportunities in important parts of our business.

Customer forecasts for orders for the next 2 quarters have remained strong. While our order book will keep us busy for the next two quarters, we remain on the lookout for opportunities from outsourcing of production by U.S. or European semiconductor firms to lower-cost destinations such as Singapore.

The Group will be profitable in FY2010.

11 Dividend

(a) Current Financial Period Reported

Any dividend declared for the current financial period reported on?

Interim dividend

In relation to the third quarter ended 30 September 2010, the Board of Directors has declared an interim dividend of 1.00 cents per ordinary share (tax exempt one-tier).

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No dividend had been declared.

(c) Date payable

10 December 2010.

(d) Books closure date

30 November 2010.

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

Not applicable.

**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.

Not applicable.

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.

Not applicable.

15 A breakdown of sales as follows:

Not applicable.

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

Not applicable.

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 3QFY10 and period ended 30 September 2010 financial results to be false or misleading in any material respect.

On behalf of the Board

Soh Gim Teik
Chairman

Luong Andy
Chief Executive Officer

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer
10 November 2010