
**FURTHER INFORMATION PERTAINING TO THE ANNOUNCEMENT MADE
ON 29 FEBRUARY 2008**

We refer to the queries raised by the Singapore Exchange Limited in its email dated 4 March 2008 in relation to our announcement made on 29 February 2008 and our responses are as follow:

SGX Query (a):

As required by paragraph 8(b) of Appendix 7.2 of the Listing Manual, please provide a discussion on material factors which affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Company response:

During FY2007, the UMS Aerospace Pte Ltd facility became operational. In order to fund this new venture, the Group has undertaken to divest non operational properties in Suzhou and Singapore which lead to some fixed assets being reclassified as “assets held for sale” as disclosed in (c). On the liability side, it resulted in higher trade and other payables as disclosed in (b).

With regards to cashflows, major outflows included S\$17.7 million arising from the purchase of plant and equipment mainly for the UMS Aerospace facility. Other cash outflows included a long term structured deposit of S\$5.0 million placed with a bank and a payment of the additional final and special dividends of S\$3.9 million that was declared in FY2006.

SGX Query (b):

In the Balance Sheet, trade and other payables increased by 88% from S\$ 21.217 million as at 31 December 2006 to S\$ 39.899 million as at 31 December 2007. To provide a breakdown of the major items, quantifying the major increases and to disclose reasons for these increases.

Company response:

Trade and Other Payables (S\$' million)	FY2007	FY2006	Increase/ (Decrease)
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Fixed Assets (machinery) vendors for UMS Aerospace P/L	10.1	-	10.1
Stock (raw material) payables for UMS Aerospace P/L	4.2	-	4.2
Mark-to-market payable on forward contracts	6.6	1.9	4.7
Other payables	19.0	19.3	(0.3)
Total	39.9	21.2	18.7

As shown in the table above, the major part of the increase resulted when UMS Aerospace became operational in Q4 FY2007. Outstanding balances at end of the year for machinery and stock purchases amounted to S\$10.1 million and S\$4.2 million respectively.

Payable on forward contracts increased by \$4.7 million due to the recognition of marked-to-market unrealised losses relating to forward contracts..

SGX Query (c):

In the Balance Sheet, "Assets classified as held for sale" increased by 159% from S\$ 4.124 million as at 31 December 2006 to S\$ 10.702 million as at 31 December 2007. To provide a breakdown of the major items, quantifying the major increases and to disclose reasons for these increases.

Company response:

Assets held for sale (S\$' million)	FY2007	FY2006	Increase/ (Decrease)
Property in Suzhou, China held for sale	5.6	4.1	1.5
Property in Changi South, Singapore	5.1	-	5.1
Total	10.7	4.1	6.6

As shown in the table above, the increase of S\$1.5 million to assets held for sale in Suzhou represents the final payment for the properties of our subsidiary UMS Suzhou. In FY2007 the Group also entered into an agreement to sell a property in Changi South, Singapore with a NBV of S\$5.1 million. The sale was only completed in January 2008.

SGX Query (d):

In the Balance Sheet, "Investment Properties" increased from nil as at 31 December 2006 to S\$ 3.535 million as at 31 December 2007. To provide a breakdown of the major items, quantifying the major increases and to disclose reasons for these increases.

Company response:

The Investment Property of S\$3.535 million comprises a property rented out to a third party subsequent to the sale of the Group's recycling business in FY2006.

SQX Query (e):

In the Balance Sheet, "Available-for-sale investment" increased from nil as at 31 December 2006 to S\$ 5.041 million as at 31 December 2007. To provide a breakdown of the major items, quantifying the major increases and to disclose reasons for these increases.

Company response:

"Available for sale investment" of S\$5.041 million consists of a structured deposit with a tenure of 10 years placed with a bank.

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

**Andy Luong
Chief Executive Officer**

Date: 5 March 2008