

**UMS HOLDINGS LIMITED**  
**COMPANY REGISTRATION NO: 200100340R**  
**Full Year 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 YEAR ENDED 31 DECEMBER 2010**

	Group					
	4Q			Full Year Ended		
	31-Dec-10 S\$'000	31-Dec-09 S\$'000	Change %	31-Dec-10 S\$'000	31-Dec-09 S\$'000	Change %
<b>Revenue</b>	<b>33,803</b>	<b>16,996</b>	<b>99%</b>	<b>129,033</b>	<b>47,267</b>	<b>173%</b>
Net finance expenses (Note (a))	(70)	(148)	-53%	(473)	(538)	-12%
Changes in inventories	(3,506)	298	N.M	9,258	(5,677)	N.M
Raw material purchases and sub-contractors	(10,404)	(7,644)	36%	(66,001)	(13,814)	378%
Employee benefits expense	(2,911)	(2,606)	12%	(12,810)	(7,614)	68%
Depreciation expense	(2,973)	(2,835)	5%	(11,890)	(11,741)	1%
Other expenses (Note (b))	(2,904)	(2,110)	38%	(10,670)	(7,753)	38%
Other charges (Note (c))	(2,281)	(1,280)	78%	(3,158)	(25,466)	-88%
<b>Profit/ (Loss) before income tax</b>	<b>8,754</b>	<b>671</b>	<b>1205%</b>	<b>33,289</b>	<b>(25,336)</b>	<b>N.M</b>
Income tax (expense)/ credit (Note (d))	304	472	-36%	(4,544)	1,008	N.M
<b>Profit/(Loss) for the period from continuing operations</b>	<b>9,058</b>	<b>1,143</b>	<b>692%</b>	<b>28,745</b>	<b>(24,328)</b>	<b>N.M</b>
<b>Attributable to:</b>						
Equity holders of the Company	9,058	1,143	692%	28,745	(24,328)	N.M
Non-controlling interests	-	-	N.M	-	-	N.M
	<b>9,058</b>	<b>1,143</b>	<b>692%</b>	<b>28,745</b>	<b>(24,328)</b>	<b>N.M</b>
Earnings/ (losses) per ordinary share (in cents) - basic and diluted	2.63	0.32	722%	8.25	-6.87	N.M

N.M - Not meaningful

## **NOTES TO INCOME STATEMENT**

### **Note (a) Net finance expenses**

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Interest income	11	26	-58%	32	72	-56%
Interest expense	(81)	(174)	-53%	(505)	(610)	-17%
Finance expenses - net	(70)	(148)	-53%	(473)	(538)	-12%

### **Note (b) Other expenses**

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Legal and professional fees	(317)	(70)	353%	(602)	(213)	183%
Rental expense (includes leasing of land)	(380)	(350)	9%	(1,428)	(1,409)	1%
Utilities (Note (i))	(1,109)	(854)	30%	(4,415)	(2,837)	56%
Freight charges (Note (i))	(162)	(86)	88%	(988)	(322)	207%
Upkeep of properties	(39)	(67)	-42%	(281)	(210)	34%
Upkeep of machinery (Note (ii))	(487)	(229)	113%	(1,294)	(822)	57%
Others	(410)	(454)	-10%	(1,662)	(1,940)	-14%
	(2,904)	(2,110)	38%	(10,670)	(7,753)	38%

Note 1(a)(b)(i) - The increase in utilities and freight charges were mainly due to higher production volume in year 2010.

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 when compared to FY2009.

**Note (c) Other (charges)/ credits**

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Foreign exchange losses- net	(751)	(58)	1195%	(1,426)	(2,210)	-35%
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))	(308)	-	N.M	(348)	-	N.M
Write- back of impairment of trade doubtful debts	-	135	-100%	-	135	-100%
Provision for impairment of non-trade debts	-	(20)	-100%	-	(20)	-100%
Inventories written off	(442)	(150)	195%	(442)	(150)	195%
Property, plant & equipment written off	-	-	N.M	-	(17)	-100%
Provision for impairment of inventories	(846)	(1,248)	-32%	(1,306)	(3,521)	-63%
Goodwill written off	-	-	N.M	-	(20,000)	-100%
Others	66	61	8%	328	305	8%
	<b>(2,281)</b>	<b>(1,280)</b>	<b>78%</b>	<b>(3,158)</b>	<b>(25,466)</b>	<b>-88%</b>

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 and Norelco Centreline (Hong Kong) Pte Limited. Both were wholly-owned subsidiaries of the Company's wholly-owned subsidiary UMS International Pte Ltd. The former was completed on 27 May 2010 and the latter on 15 October 2010.

**Note (d) Income tax**

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>	<b>31-Dec-10</b>	<b>31-Dec-09</b>	<b>Change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>%</b>
Income tax:						
- Current	792	(78)	N.M	(4,056)	(137)	2861%
- Deferred tax	(488)	550	N.M	(488)	1,145	N.M
	<b>304</b>	<b>472</b>	<b>-36%</b>	<b>(4,544)</b>	<b>1,008</b>	<b>N.M</b>

**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	
	31 Dec 2010 S\$'000	31 Dec 2009 S\$'000	31 Dec 2010 S\$'000	31 Dec 2009 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents (Note (ii))	20,532	24,678	3,394	922
Trade receivables and other current assets (Note (iii))	19,505	11,120	1,827	7,836
Inventories (Note (iv))	34,505	25,248	-	-
	<u>74,542</u>	<u>61,046</u>	<u>5,221</u>	<u>8,758</u>
Asset classified as held for sale (v)	4,416	630	-	-
	<u>78,958</u>	<u>61,676</u>	<u>5,221</u>	<u>8,758</u>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	162,904	136,662
Property, plant and equipment	65,501	76,214	-	-
Investment property	3,614	3,838	-	-
Financial assets, held-to-maturity	4,490	4,891	-	-
Goodwill	60,702	60,702	-	-
Other long-term loan receivables	-	-	-	-
	<u>134,307</u>	<u>145,645</u>	<u>162,904</u>	<u>136,662</u>
<b>Total Assets</b>	<b>213,265</b>	<b>207,321</b>	<b>168,125</b>	<b>145,420</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Short term borrowing	-	2,000	-	-
Trade and other payables	18,471	19,675	1,615	749
Income tax payable	4,498	691	-	81
Current portion of long-term borrowing (Note (vi))	-	670	-	-
Current portion of finance leases obligation (Note (vii))	4,474	4,773	-	-
	<u>27,443</u>	<u>27,809</u>	<u>1,615</u>	<u>830</u>
<b>Non Current Liabilities</b>				
Deferred taxation	3,026	2,538	-	-
Long-term borrowing (Note (vi))	-	7,289	-	-
Finance leases obligation (Note (vii))	2,665	5,653	-	-
Long-term provision *	1,200	1,200	-	-
	<u>6,891</u>	<u>16,680</u>	<u>-</u>	<u>-</u>
<b>Total Liabilities</b>	<b>34,334</b>	<b>44,489</b>	<b>1,615</b>	<b>830</b>
<b>Capital and Reserves</b>				
Share Capital	136,623	152,822	136,623	152,822
Treasury shares	-	(13,494)	-	(13,494)
Other components of equity	(1,028)	(1,504)	85	85
Retained earnings	43,336	25,008	29,802	5,177
<b>Total equity</b>	<b>178,931</b>	<b>162,832</b>	<b>166,510</b>	<b>144,590</b>
<b>Total liabilities and equity</b>	<b>213,265</b>	<b>207,321</b>	<b>168,125</b>	<b>145,420</b>

\* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 December 2010 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Dec-10 %	31-Dec-09 %	31-Dec-10 S\$'000	31-Dec-09 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	20,000	-
UMS Solar Pte Ltd (Singapore) *	100	100	10	-
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia) *	100	100	6,232	-
Unquoted equity shares, at cost			166,124	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)
			162,904	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		
<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\$4.1 million was mainly due to repayment of bank borrowings, share buy back and dividend paid during the year.

Note 1(b)(i)(iii) – The increase in trade and other receivables by S\$8.4 million was mainly due to higher sales.

Note 1(b)(i)(iv) – The increase in the inventories by S\$9.3 million was due to higher purchases to meet customer orders in the coming months.

Note 1(b)(i)(v) – During the current quarter, one factory building in Singapore is presented separately as 'Asset classified as held for sale' in the balance sheet following the decision of management to sell to a third party after 2010. The 2009 balance relates to a factory building in Penang, Malaysia and the sale of the factory was completed in January 2010.

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

Note 1(b)(i)(vii) – The total decrease in finance lease obligation by S\$3.3 million was due to repayments made during the year 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 31 Dec 2010			As at 31 Dec 2009		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
4,474	-	4,474	5,443	2,000	7,443

Amount repayable after one year

As at 31 Dec 2010			As at 31 Dec 2009		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2,665	-	2,665	12,942	-	12,942

#### Details of any collateral

The Group's borrowings as at 31 Dec 2010 comprise only finance leases. In the same period last year, it comprise term loans and finance leases. The long-term borrowing, which was fully repaid in FY2010, was secured by a fixed charge over the freehold land and building of a subsidiary. The fixed charge over the freehold land and building was discharged after the settlement of the loan during the year. 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			
	4Q		Full Year Ended	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Cash flows from operating activities</b>				
Net profit/(loss) before income tax	8,754	671	33,289	(25,336)
Adjustments for:				
Impairment of goodwill	-	-	-	20,000
Depreciation expense	2,973	2,835	11,890	11,741
Gain on disposal of property, plant and equipment	-	-	-	(12)
Write back for trade doubtful debts	-	(135)	-	(135)
Provision for non-trade doubtful debts	-	20	-	20
Provision for obsolete stock	846	1,248	1,306	3,521
Stock written off	442	150	442	150
Property, plant and equipment written off	-	-	-	17
Gain on disposal of assets classified as held for sale	-	-	(36)	-
Loss on liquidation of subsidiary	308	-	348	-
Interest income	(11)	(26)	(32)	(72)
Interest expense	81	174	505	610
Unrealised foreign exchange loss	611	686	1,079	1,676
<b>Operating cash flow before working capital changes</b>	<b>14,004</b>	<b>5,623</b>	<b>48,791</b>	<b>12,180</b>
Trade and other receivables	(3,218)	1,763	(9,798)	(451)
Inventories	2,218	(1,695)	(11,006)	2,007
Trade and other payables	355	3,368	3,545	224
<b>Cash generated from operations</b>	<b>13,359</b>	<b>9,059</b>	<b>31,532</b>	<b>13,960</b>
Income tax paid	(244)	1	(244)	(37)
<b>Net cash generated from operating activities</b>	<b>13,115</b>	<b>9,060</b>	<b>31,288</b>	<b>13,923</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	-	-	-	13
Purchase of property, plant and equipment	(1,687)	(4,356)	(7,621)	(14,110)
Proceeds from disposal of assets classified as held for sale	-	-	706	-
Interest received	11	26	32	72
<b>Net cash used in investing activities</b>	<b>(1,676)</b>	<b>(4,330)</b>	<b>(6,883)</b>	<b>(14,025)</b>
<b>Cash flows from financing activities</b>				
(Repayment of)/Proceeds from borrowings	-	(207)	(9,959)	2,636
Dividends Paid	(3,437)	-	(10,417)	(1,771)
Share buy-back and cancelled	-	-	(2,705)	-
(Repayment of)/ proceeds from obligation under finance leases	(1,373)	2,600	(3,287)	5,499
Fixed deposit - restricted	-	103	(53)	124
Interest paid	(81)	(174)	(505)	(610)
<b>Net cash (used in)/ generated from financing activities</b>	<b>(4,891)</b>	<b>2,322</b>	<b>(26,926)</b>	<b>5,878</b>
Net effect of exchange rate changes	(221)	(177)	(1,678)	(85)
Net increase/ (decrease) in cash and cash equivalents	6,327	6,875	(4,199)	5,691
Cash and cash equivalents at beginning of the period	13,971	17,622	24,497	18,806
<b>Cash and cash equivalents at end of the period</b>	<b>20,298</b>	<b>24,497</b>	<b>20,298</b>	<b>24,497</b>
Fixed deposit - restricted in use			234	181
<b>Cash and cash equivalents in the Balance Sheet</b>			<b>20,532</b>	<b>24,678</b>

- 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					
	4Q			Full Year Ended		
	31-Dec-10 S\$'000	31-Dec-09 S\$'000	Change %	31-Dec-10 S\$'000	31-Dec-09 S\$'000	Change %
<b>Profit/ (Loss) for the period</b>	9,058	1,143	692%	28,745	(24,328)	N.M
Currency translation loss	183	49	273%	476	(350)	N.M
<b>Total comprehensive income/ (expenses) for the period</b>	9,241	1,192	675%	29,221	(24,678)	N.M
<b>Attributable to:</b>						
Equity holders of the Company	9,241	1,192	675%	29,221	(24,678)	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
<b>Group</b>						
<b>As at 1 January 2009</b>	152,822	(13,496)	51	(1,205)	51,109	189,281
<b>Changes in equity for first quarter</b>						
Loss for the period	-	-	-	-	(2,673)	(2,673)
Other comprehensive income for the period	-	-	-	142	-	142
<b>Total comprehensive expenses for the quarter</b>	-	-	-	142	(2,673)	(2,531)
<b>As at 31 March 2009</b>	152,822	(13,496)	51	(1,063)	48,436	186,750
<b>Changes in equity for second quarter</b>						
Loss for the period	-	-	-	-	(22,917)	(22,917)
Other comprehensive income for the period	-	-	-	(416)	-	(416)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(416)	(22,917)	(23,333)
Dividend paid	-	-	-	-	(1,771)	(1,771)
<b>As at 30 June 2009</b>	152,822	(13,496)	51	(1,479)	23,748	161,646
<b>Changes in equity for third quarter</b>						
Profit for the period	-	-	-	-	119	119
Other comprehensive income for the period	-	-	-	(125)	-	(125)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(125)	119	(6)
Share-based payments granted to employees	-	2	-	-	(2)	-
<b>As at 30 September 2009</b>	152,822	(13,494)	51	(1,604)	23,865	161,640
<b>Changes in equity for fourth quarter</b>						
Profit for the period	-	-	-	-	1,143	1,143
Other comprehensive income for the period	-	-	-	49	-	49
<b>Total comprehensive expenses for the quarter</b>	-	-	-	49	1,143	1,192
<b>As at 31 December 2009</b>	152,822	(13,494)	51	(1,555)	25,008	162,832

	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
<b>Group</b>						
<b>As at 1 January 2010</b>	152,822	(13,494)	51	(1,555)	25,008	162,832
<b>Changes in equity for first quarter</b>						
Profit for the period	-	-	-	-	4,622	4,622
Other comprehensive income for the period	-	-	-	332	-	332
<b>Total comprehensive income for the quarter</b>	-	-	-	332	4,622	4,954
Cancellation of shares	(13,494)	13,494	-	-	-	-
<b>As at 31 March 2010</b>	<u>139,328</u>	<u>-</u>	<u>51</u>	<u>(1,223)</u>	<u>29,630</u>	<u>167,786</u>
<b>Changes in equity for second quarter</b>						
Profit for the period	-	-	-	-	7,480	7,480
Other comprehensive income for the period	-	-	-	120	-	120
<b>Total comprehensive income for the quarter</b>	-	-	-	120	7,480	7,600
Purchase of treasury shares	-	(2,500)	-	-	-	(2,500)
Dividend paid	-	-	-	-	(3,542)	(3,542)
<b>As at 30 June 2010</b>	<u>139,328</u>	<u>(2,500)</u>	<u>51</u>	<u>(1,103)</u>	<u>33,568</u>	<u>169,344</u>
<b>Changes in equity for third quarter</b>						
Profit for the period	-	-	-	-	7,585	7,585
Other comprehensive income for the period	-	-	-	(159)	-	(159)
<b>Total comprehensive income for the quarter</b>	-	-	-	(159)	7,585	7,426
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	-	(205)
Dividend paid	-	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2010</b>	<u>136,623</u>	<u>-</u>	<u>51</u>	<u>(1,262)</u>	<u>37,715</u>	<u>173,127</u>
<b>Changes in equity for fourth quarter</b>						
Profit for the period	-	-	-	-	9,058	9,058
Other comprehensive income for the period	-	-	-	183	-	183
<b>Total comprehensive income for the quarter</b>	-	-	-	183	9,058	9,241
Cancellation of treasury shares and share buy back	-	-	-	-	-	-
Dividend paid	-	-	-	-	(3,437)	(3,437)
<b>As at 31 December 2010</b>	<u>136,623</u>	<u>-</u>	<u>51</u>	<u>(1,079)</u>	<u>43,336</u>	<u>178,931</u>

	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
<b>Company</b>					
<b>As at 1 January 2009</b>	152,822	(13,496)	68	9,024	148,418
<b>Changes in equity for first quarter</b>					
Loss for period	-	-	-	(2,107)	(2,107)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(2,107)	(2,107)
<b>As at 31 March 2009</b>	152,822	(13,496)	68	6,917	146,311
<b>Changes in equity for second quarter</b>					
Loss for period	-	-	-	(988)	(988)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(988)	(988)
Dividends paid	-	-	-	(1,771)	(1,771)
<b>As at 30 June 2009</b>	152,822	(13,496)	68	4,158	143,552
<b>Changes in equity for third quarter</b>					
Profit for period	-	-	-	116	116
<b>Total comprehensive expenses for the quarter</b>	-	-	-	116	116
Share-based payments granted to employees	-	2	-	(2)	-
<b>As at 30 September 2009</b>	152,822	(13,494)	68	4,272	143,668
<b>Changes in equity for fourth quarter</b>					
Profit for the period	-	-	-	905	905
Other comprehensive income for the period	-	-	17	-	17
<b>Total comprehensive expenses for the quarter</b>	-	-	17	905	922
<b>As at 31 December 2009</b>	152,822	(13,494)	85	5,177	144,590

	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
<b>Company</b>					
<b>As at 1 January 2010</b>	152,822	(13,494)	85	5,177	144,590
<b>Changes in equity for first quarter</b>					
Loss for the period	-	-	-	(291)	(291)
<b>Total comprehensive expenses for the quarter</b>	-	-	-	(291)	(291)
Cancellation of shares	(13,494)	13,494	-	-	-
<b>As at 31 March 2010</b>	139,328	-	85	4,886	144,299
<b>Changes in equity for second quarter</b>					
Profits for the period	-	-	-	4,646	4,646
<b>Total comprehensive expenses for the quarter</b>	-	-	-	4,646	4,646
Purchase of treasury shares	-	(2,500)	-	-	(2,500)
Dividend paid	-	-	-	(3,542)	(3,542)
<b>As at 30 June 2010</b>	139,328	(2,500)	85	5,990	142,903
<b>Changes in equity for third quarter</b>					
Profits for the period	-	-	-	9,770	9,770
<b>Total comprehensive expenses for the quarter</b>	-	-	-	9,770	9,770
Cancellation of treasury shares and share buy back	(2,705)	2,500	-	-	(205)
Dividend paid	-	-	-	(3,438)	(3,438)
<b>As at 30 September 2010</b>	136,623	-	85	12,322	149,030
<b>Changes in equity for fourth quarter</b>					
Profits for the period	-	-	-	20,917	20,917
<b>Total comprehensive expenses for the quarter</b>	-	-	-	20,917	20,917
Cancellation of treasury shares and share buy back	-	-	-	-	-
Dividend paid	-	-	-	(3,437)	(3,437)
<b>As at 31 December 2010</b>	136,623	-	85	29,802	166,510

- 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 31 December 2010	<u>343,754,327</u>	<u>136,623</u>
<b>Treasury shares</b>		
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 31 December 2010	<u>-</u>	<u>-</u>

There was no issue of shares during the financial year 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 authorised 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 31 December 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 31 December 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:

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.**

	Group			
	4 Q 31-Dec-10	31-Dec-09	9 Months Ended	
Earnings/ (losses) per share (EPS)	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
(a) Based on weighted average number of outstanding ordinary shares in issue; and	2.63 cents	0.32 cents	8.25 cents	-6.87 cents
(b) On a fully diluted basis	2.63 cents	0.32 cents	8.25 cents	-6.87 cents

For Note 6 above, the basic earnings per share for the full financial year ended 2010 and previous corresponding period have been calculated based on the weighted average number of 348,619,297 and 354,230,297 of outstanding ordinary shares. Basic earning per share for 4Q 2010 and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 and 354,233,327 of outstanding ordinary shares respectively. The diluted earnings per share for full financial year ended 2010 and the previous corresponding period have been calculated based on 348,619,297 and 354,230,297 of outstanding ordinary shares respectively. The diluted earnings per share for 4Q 2010 and the previous corresponding period have been calculated based on 343,754,327 and 354,233,327 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	
	31-Dec-10	31-Dec-09	31-Dec-10	31-Dec-09
Net asset per ordinary share based on existing issued share capital as at end of period reported on	52.05 cents	45.97 cents	48.44 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.**

**FY2010 vs FY2009**

	Group		
	Full Year Ended		
	31-Dec-10	31-Dec-09	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	9,852	7,372	34%
Semiconductor component and systems(Semicon)	119,181	39,895	199%
	129,033	47,267	173%
<b>Geographical Regions</b>			
Singapore	69,800	5,622	1142%
United States of America ('US')	39,015	31,362	24%
Others	20,218	10,283	97%
	129,033	47,267	173%

**4QFY2010 vs 4QFY2009**

	4Q		
	31-Dec-10	31-Dec-09	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	1,479	340	335%
Semiconductor component and systems(Semicon)	32,324	16,656	94%
	33,803	16,996	99%
<b>Geographical Regions</b>			
Singapore	20,088	1,824	1001%
United States of America ('US')	8,996	12,471	-28%
Others	4,719	2,701	75%
	33,803	16,996	99%

## 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 since the global financial crisis in FY2008 with a major customer to produce more of these systems instead of relying merely on 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 year under review. Accordingly, semiconductor-related revenue for 4Q rose 94% to S\$32.3 million from S\$16.7 million. On a full-year basis, it grew 199% to S\$119.2 million in FY2010 from S\$39.9 million in FY2009.

In terms of geographical contribution, while the Group exports many semiconductor components 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 1001% to S\$20.1 million for 4Q10 and by 1142% to S\$69.8 million for FY2010.

## 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 period of 4Q10, Group net profit leapt to S\$9.1 million compared to S\$1.1 million in the same period last year mainly due to the increase in revenue from the strategic shift towards integrated semiconductor systems.

The Group net profit for FY2010 showed a sharp turnaround to S\$28.7 million reversing a loss of S\$24.3 million in the previous year mainly due to the increase in revenue and the goodwill write-off of S\$20 million in FY2009.

## Cash flow

The Group continued to generate positive cash flow, with positive net cash from operating activities of S\$13.1 million in 4Q10, an increase of 44.8% from S\$9.1 million in 4Q09.

Cash and cash equivalents remained healthy. The Group's cash and cash equivalents for FY2010 stood at S\$20.3 million after paying S\$3.4 million interim dividend in 4Q2010. In all, for the full year, the Group was able to pay off \$23.1 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 4QFY2010 rose to 2.63 cents from 0.32 cent while its net asset value (NAV) increased to 52.05 cents as at 31 December 2010 from 45.97 cents as at 31 December 2009. Group EPS for FY2010 rebounded to 8.25 cents from a loss of 6.87 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 Group remains cognizant that industry consensus is muted on continued growth in the global semi-conductor industry in 2011.

While this may have some impact on overall global industry growth rates, UMS believes that its growth initiatives over the last six months have strengthened its core business fundamentals, for which its outlook remains intact in FY2011.

In the last six months, the second pillar of growth in semiconductor systems has been firmly established and has contributed significantly to financial performance. The Group expects this to continue into FY2011 based on order indications as customer forecasts of orders for the next 2 quarters have remained strong.

Additionally the Group intends to continue to pursue ongoing internal initiatives to further increase financial and operating efficiencies that will help to enhance the Group's performance.

With these strategies already in place, corporate actions such as our proposed dual listing in Korea will better position us to raise our investment profile in our primary Singapore market, as well as explore M&A opportunities to enhance shareholder value. The details of the proposed Korea listing can be found in our previous SGX announcements.

Based on customer forecasts, the Directors are confident that UMS' performance in the first six months of FY2011 ("1H2011") will remain strong and profitable.

**11 Dividend**

**(a) Current Financial Period Reported**

**Final dividend**

In relation to the financial year ended 31 December 2010, the Board of Directors has declared a final dividend of 2.00 cents per ordinary share (tax exempt one-tier).

**Special dividend**

In relation to the financial year ended 31 December 2010, the Board of Directors has declared a special dividend of 1.00 cent per ordinary share (tax exempt one-tier).

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Name of Dividend: Final

Dividend Type: Cash

Dividend Amount per Share: 1.0 cent per ordinary share (tax exempt one-tier)

**(c) Date payable**

23 March 2011.

**(d) Books closure date**

10 March 2011.

**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.**

**Business Segments**

	<u>CEM</u>		<u>Semiconductor</u>		<u>Total for continuing operations</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Group</b>						
Total segment sales	13,848	9,797	137,678	48,295	151,526	58,092
Inter-segment sales	(3,996)	(2,425)	(18,497)	(8,400)	(22,493)	(10,825)
Sales to external parties	9,852	7,372	119,181	39,895	129,033	47,267
<b>Adjusted EBITA</b>	1,109	(596)	44,543	7,539	45,652	6,943
Goodwill impairment	-	-	-	(20,000)	-	(20,000)
<b>Total assets</b>	33,933	43,714	364,110	322,427	398,043	366,141
Total assets includes:						
Additions to property, plant and equipment	6	32	4,638	3,413	4,644	3,445
<b>Total liabilities</b>	22,392	42,876	86,254	83,500	108,646	126,376

	<b>Group</b>	
	<u>2010</u>	<u>2009</u>
	S\$'000	S\$'000
Adjusted EBITA for reportable segments	45,652	6,943
Goodwill impairment	-	(20,000)
Depreciation	(11,890)	(11,741)
Finance expense	(505)	(610)
Finance income	32	72
Profit/ (loss) before income tax	33,289	(25,336)

## Geographical Segments

Group	Singapore		USA		Others		Total	
	2010	2009	2010	2009	2010	2009	2010	2009
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total sales to external parties	69,800	5,622	39,015	31,362	20,218	10,283	129,033	47,267
Other geographical information:								
Non-current assets:								
Property, plant and equipment	32,999	44,656	-	-	32,502	31,558	65,501	76,214
Investment property	3,614	3,838	-	-	-	-	3,614	3,838
Goodwill	59,778	59,778	-	-	924	924	60,702	60,702
	<u>96,391</u>	<u>108,272</u>	<u>-</u>	<u>-</u>	<u>33,426</u>	<u>32,482</u>	<u>129,817</u>	<u>140,754</u>

A reconciliation of total assets for reportable segments to total assets is as follows:

	Group	
	2010	2009
	S\$'000	S\$'000
Total asset for reportable segments from continued operations		
Elimination of inter-segment receivables	398,042	366,141
Total assets	<u>(184,777)</u>	<u>(158,820)</u>
	<u>213,265</u>	<u>207,321</u>

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	Group	
	2010	2009
	S\$'000	S\$'000
Total liabilities for reportable segments from continued operations	108,646	126,376
Elimination of inter-segment payables	(74,312)	(81,887)
Total liabilities	<u>34,334</u>	<u>44,489</u>

## 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:

		Group		Change
		2010	2009	
		S\$'000	S\$'000	%
(a)	Sales reported for first half	60,008	18,865	218%
(b)	Operating profit/loss after tax before deducting minority interests reported for first half year	12,102	(25,590)	N.M
(c)	Sales reported for second year	69,025	28,402	143%
(d)	Operating profit/loss after tax before deducting minority interests reported for second half year	16,643	1,262	1219%

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	Previous Full Year
	S\$'000	S\$'000
Ordinary	17,188	3,542
Preference	-	-
Total	<u>17,188</u>	<u>3,542</u>

The current year final dividend is declared based on outstanding ordinary shares of 343,754,327.

**BY ORDER OF THE BOARD**

**Luong Andy**  
**Chief Executive Officer**  
**24 January 2011**