

**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 and statement of comprehensive income, or a statement of comprehensive income (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 2013**

	Group					
	4Q			Full Year Ended		
	31-Dec-13	31-Dec-12	Change	31-Dec-13	31-Dec-12	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	34,455	21,631	59%	120,496	113,212	6%
Net finance income/ (expense) (Note (a))	114	(59)	N.M	84	(196)	N.M
Changes in inventories	8,424	(6,351)	N.M	10,192	(11,175)	N.M
Raw material purchases and sub-contractors charges	(21,325)	(6,423)	232%	(65,743)	(46,193)	42%
Employee benefits expense	(3,965)	(2,203)	80%	(13,074)	(11,561)	13%
Depreciation expense	(2,009)	(2,612)	-23%	(7,875)	(10,593)	-26%
Other expenses (Note (b))	(3,089)	(2,586)	19%	(12,025)	(10,901)	10%
Other credits/ (charges) (Note (c))	195	(550)	N.M	657	(3,908)	N.M
<b>Profit before income tax</b>	<b>12,800</b>	<b>847</b>	<b>1411%</b>	<b>32,712</b>	<b>18,685</b>	<b>75%</b>
Income tax expense (Note (d))	(1,822)	365	N.M	(3,832)	(1,687)	127%
<b>Profit for the period from continuing operations</b>	<b>10,978</b>	<b>1,212</b>	<b>806%</b>	<b>28,880</b>	<b>16,998</b>	<b>70%</b>
<b>Attributable to:</b>						
Equity holders of the Company	10,978	1,212	806%	28,880	16,998	70%
Minority interests	-	-	N.M	-	-	N.M
	<b>10,978</b>	<b>1,212</b>	<b>806%</b>	<b>28,880</b>	<b>16,998</b>	<b>70%</b>
Earnings per ordinary share (in cents)						
- basic and diluted	3.19	0.35	811%	8.40	4.94	70%

N.M - Not meaningful

## NOTES TO INCOME STATEMENT

### Note (a) Net finance income/ (expenses)

	4Q			Full Year Ended		
	31-Dec-13 S\$'000	31-Dec-12 S\$'000	Change %	31-Dec-13 S\$'000	31-Dec-12 S\$'000	Change %
Interest income	14	13	8%	50	71	-30%
Finance income	100	-	N.M	100	-	N.M
Interest expense (Note (i))	-	(72)	N.M	(66)	(267)	-75%
Net finance income/ (expenses)	114	(59)	N.M	84	(196)	N.M

Note 1 (a)(a)(i) – The decrease in interest expenses was mainly due to the settlement of bank borrowings and finance lease obligation.

### Note (b) Other expenses

	Group					
	4Q			Full Year Ended		
	31-Dec-13 S\$'000	31-Dec-12 S\$'000	Change %	31-Dec-13 S\$'000	31-Dec-12 S\$'000	Change %
Legal and professional fees (Note (i))	(291)	(78)	273%	(1,139)	(408)	179%
Rental expense (includes leasing of land)	(417)	(473)	-12%	(1,597)	(1,803)	-11%
Utilities	(972)	(1,011)	-4%	(3,900)	(4,347)	-10%
Freight charges	(206)	(77)	168%	(731)	(551)	33%
Insurance	(155)	(77)	101%	(466)	(225)	107%
Upkeep of properties and equipment (Note (ii))	(13)	(26)	-50%	(277)	(158)	75%
Upkeep of machinery (Note (ii))	(559)	(289)	93%	(1,981)	(1,438)	38%
Others	(476)	(555)	-14%	(1,934)	(1,971)	-2%
	(3,089)	(2,586)	19%	(12,025)	(10,901)	10%

Note 1 (a)(b)(i) – Included in legal and professional fees is an amount payable to Sure Achieve Enterprises Pte Ltd. Refer to note 13.

Note 1 (a)(b)(ii) – The increase was mainly due to higher maintenance of machinery and equipment carried out during the period in line with higher production.

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

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>Change</b>	<b>31-Dec-13</b>	<b>31-Dec-12</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 gain/ (loss) (Note (i))	258	39	562%	1,323	(1,341)	N.M
Reversal of/ (allowance) for doubtful trade debts	-	86	N.M	-	(137)	N.M
Bad debts written off - trade	-	(61)	N.M	-	(61)	N.M
Gain on reversal merger of investment	-	35	N.M	-	35	N.M
(Loss)/ gain on disposal of property, plant and equipment	(1)	6	N.M	128	6	2033%
Property, plant & equipment written off	-	-	N.M	(9)	(7)	29%
Inventories written off	-	-	N.M	-	(279)	N.M
Allowance for inventories obsolescence	(163)	(661)	-75%	(910)	(2,159)	-58%
Others	101	6	1583%	125	35	257%
	<b>195</b>	<b>(550)</b>	<b>N.M</b>	<b>657</b>	<b>(3,908)</b>	<b>N.M</b>

Note 1(a)(c)(i) - The exchange gain was due to appreciation of the US dollar against Singapore dollar during the period.

**Note (d) Income tax**

	<b>Group</b>					
	<b>4Q</b>			<b>Full Year Ended</b>		
	<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>Change</b>	<b>31-Dec-13</b>	<b>31-Dec-12</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	(2,394)	437	N.M	(4,404)	(1,615)	173%
- Deferred tax	572	(72)	N.M	572	(72)	N.M
	<b>(1,822)</b>	<b>365</b>	<b>N.M</b>	<b>(3,832)</b>	<b>(1,687)</b>	<b>127%</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 2013 S\$'000	31 Dec 2012 S\$'000	31 Dec 2013 S\$'000	31 Dec 2012 S\$'000
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and bank balances (Note (ii))	29,236	32,532	621	658
Trade receivables and other current assets (Note (iii))	21,383	13,274	5,843	2,026
Financial assets, available-for-sale (Note (iv))	-	4,276	-	-
Inventories (Note (v))	37,193	27,000	-	-
	<b>87,812</b>	<b>77,082</b>	<b>6,464</b>	<b>2,684</b>
<b>Non-Current Assets</b>				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	43,419	50,230	-	-
Investment property	2,848	3,068	-	-
Goodwill	81,683	81,683	-	-
	<b>127,950</b>	<b>134,981</b>	<b>192,415</b>	<b>192,415</b>
<b>Total Assets</b>	<b>215,762</b>	<b>212,063</b>	<b>198,879</b>	<b>195,099</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current Liabilities</b>				
Bank borrowings (Note (ii))	-	17,100	-	-
Trade and other payables (Note (vi))	18,906	10,341	3,206	4,763
Current portion of finance leases obligation (Note (vii))	-	138	-	-
Income tax payable	3,617	1,221	55	22
	<b>22,523</b>	<b>28,800</b>	<b>3,261</b>	<b>4,785</b>
<b>Non Current Liabilities</b>				
Deferred tax liabilities	1,644	2,186	12	10
Long-term provision *	464	564	-	-
	<b>2,108</b>	<b>2,750</b>	<b>12</b>	<b>10</b>
<b>Total Liabilities</b>	<b>24,631</b>	<b>31,550</b>	<b>3,273</b>	<b>4,795</b>
<b>Capital and Reserves</b>				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(3,907)	(2,833)	-	85
Retained earnings	58,415	46,723	58,983	53,596
<b>Total Equity</b>	<b>191,131</b>	<b>180,513</b>	<b>195,606</b>	<b>190,304</b>
<b>Total Liabilities and Equity</b>	<b>215,762</b>	<b>212,063</b>	<b>198,879</b>	<b>195,099</b>

\* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 December 2013 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Dec-2013	31-Dec-2012	31-Dec-2013	31-Dec-2012
	%	%	S\$'000	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
UMS Pte Ltd (Singapore)	100	100	127,081	127,081
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
Integrated Manufacturing Technologies Pte Ltd (Singapore)	100	100	19,803	19,803
Integrated Manufacturing Technologies Inc. (United States)	100	100	8,196	8,196
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
			<hr/>	
Unquoted equity shares, at cost			216,213	216,213
Less: Provision for impairment			(23,798)	(23,798)
			<hr/>	
			192,415	192,415
<hr/>				
<u>Held through UMS International Pte Ltd</u>				
Ultimate Manufacturing Solutions (M) Sdn. Bhd (Malaysia)	100	100		
<u>Held through UMS Pte Ltd</u>				
UMS Solutions Pte Ltd (Singapore)	100	100		

Note 1(b)(i)(ii) – The decrease in cash and cash equivalents by S\$3.3 million was mainly due to the repayment of bank borrowings during the period.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$8.1 million mainly due to the increase in sales during the period as compared to 4Q2012.

Note 1(b)(i)(iv) – Financial asset, available for sale was disposed off during the year.

Note 1(b)(i)(v) – The increase in inventories by S\$10.2 million was due to higher purchases to meet customer orders in the coming quarter.

Note 1(b)(i)(vi) – The increase in trade and other payables by S\$8.6 million was mainly due to higher purchases made during the period.

Note 1(b)(i)(vii) – All finance lease obligation were settled during the year.

**1(b)(ii) Aggregate amount of group's borrowings and debt securities**

Amount repayable in one year or less, or on demand

<b>As at 31 Dec 2013</b>			<b>As at 31 Dec 2012</b>		
<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>	<b>Secured</b>	<b>Unsecured</b>	<b>Total</b>
<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
-	-	-	17,238	-	17,238

**Details of any collateral**

The Group's borrowings comprised mainly finance leases and short-term bank borrowings. The finance leases were secured by mortgages over the plant and machinery of a subsidiary and the short-term bank borrowings were secured by corporate guarantee. During the financial year, the Group fully settled all the finance leases and bank borrowings.

1(c) A statement of cash flows (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-13 S\$'000	31-Dec-12 S\$'000	31-Dec-13 S\$'000	31-Dec-12 S\$'000
<b>Cash flows from operating activities</b>				
Net profit before income tax	12,800	847	32,712	18,685
Adjustments for:				
Depreciation expense	2,009	2,612	7,875	10,593
Bad debts written off- trade	-	61	-	61
(Reversal) of/ allowance for doubtful trade debts	-	(86)	-	137
Allowance for inventories obsolescence	162	661	909	2,159
Inventories written off	-	-	-	279
Property, plant and equipment written off	-	-	9	7
Loss/ (gain) on disposal of property, plant and equipment	1	(6)	(128)	(6)
Finance income	(100)	-	(100)	-
Interest income	(14)	(13)	(50)	(71)
Interest expense	-	72	66	267
Unrealised foreign exchange (gain)/ loss	(366)	(1,328)	(997)	1,492
<b>Operating cash flows before working capital changes</b>	<b>14,492</b>	<b>2,820</b>	<b>40,296</b>	<b>33,603</b>
Changes in working capital:				
Trade receivables and other current assets	(6,219)	(1,677)	(7,795)	1,795
Inventories	(8,431)	6,742	(11,096)	7,314
Trade and other payables	6,857	(297)	8,629	(6,836)
<b>Cash generated from operations</b>	<b>6,699</b>	<b>7,588</b>	<b>30,034</b>	<b>35,876</b>
Income tax paid	(30)	(166)	(2,216)	(4,827)
<b>Net cash generated from operating activities</b>	<b>6,669</b>	<b>7,422</b>	<b>27,818</b>	<b>31,049</b>
<b>Cash flows from investing activities</b>				
Proceeds from disposal of property, plant and equipment	(1)	8	128	9
Purchase of property, plant and equipment	(871)	(659)	(1,994)	(1,747)
Proceeds on sale of financial assets, available-for-sale	-	-	4,276	-
Net cash outflow on acquisition of subsidiaries	-	-	-	(27,061)
Interest received	14	13	50	71
<b>Net cash (used in) /generated from investing activities</b>	<b>(858)</b>	<b>(638)</b>	<b>2,460</b>	<b>(28,728)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank borrowings	-	-	8,000	30,155
Repayment of bank borrowings	-	(55)	(25,100)	(13,055)
Dividends paid	(6,875)	(6,875)	(17,188)	(20,625)
Repayment of finance leases obligation	-	(442)	(138)	(2,527)
Increase in fixed deposit - restricted	(2)	-	2	22
Interest paid	-	(72)	(66)	(267)
<b>Net cash used in financing activities</b>	<b>(6,877)</b>	<b>(7,444)</b>	<b>(34,490)</b>	<b>(6,297)</b>
Net effect of exchange rate changes	175	(339)	926	(1,417)
Net decrease in cash and cash equivalents	(891)	(999)	(3,286)	(5,393)
Cash and cash equivalents at beginning of the period	29,881	33,275	32,276	37,669
<b>Cash and cash equivalents at end of the period</b>	<b>28,990</b>	<b>32,276</b>	<b>28,990</b>	<b>32,276</b>
Fixed deposit - restricted in use			246	256
<b>Cash and cash equivalents in the Balance Sheet</b>			<b>29,236</b>	<b>32,532</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-13 S\$'000	31-Dec-12 S\$'000	Change %	31-Dec-13 S\$'000	31-Dec-12 S\$'000	Change %
<b>Profit for the period</b>	<b>10,978</b>	<b>1,212</b>	<b>806%</b>	<b>28,880</b>	<b>16,998</b>	<b>70%</b>
Other comprehensive income:						
Exchange differences on translation of foreign operations	6	(225)	N.M	(1,074)	(1,290)	-17%
<b>Total comprehensive income for the period</b>	<b>10,984</b>	<b>987</b>	<b>1013%</b>	<b>27,806</b>	<b>15,708</b>	<b>77%</b>
<b>Attributable to:</b>						
Equity holders of the Company	10,984	987	1013%	27,806	15,708	77%
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	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 2012</b>	136,623	(1,543)	50,350	185,430
<b>Changes in equity for first quarter</b>				
Profit for the period	-	-	6,032	6,032
Other comprehensive income for the period	-	180	-	180
<b>Total comprehensive income for the quarter</b>	-	180	6,032	6,212
<b>As at 31 March 2012</b>	136,623	(1,363)	56,382	191,642
<b>Changes in equity for second quarter</b>				
Profit for the period	-	-	7,625	7,625
Other comprehensive income for the period	-	(1,094)	-	(1,094)
<b>Total comprehensive income for the quarter</b>	-	(1,094)	7,625	6,531
Dividend paid	-	-	(10,313)	(10,313)
<b>As at 30 June 2012</b>	136,623	(2,457)	53,694	187,860
<b>Changes in equity for third quarter</b>				
Profit for the period	-	-	2,129	2,129
Other comprehensive income for the period	-	(151)	-	(151)
<b>Total comprehensive income for the quarter</b>	-	(151)	2,129	1,978
Dividend paid	-	-	(3,437)	(3,437)
<b>As at 30 September 2012</b>	136,623	(2,608)	52,386	186,401
<b>Changes in equity for fourth quarter</b>				
Profit for the period	-	-	1,212	1,212
Other comprehensive income for the period	-	(225)	-	(225)
<b>Total comprehensive income for the quarter</b>	-	(225)	1,212	987
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 31 December 2012</b>	136,623	(2,833)	46,723	180,513

<b>Group</b>	<b>Share Capital S\$'000</b>	<b>Foreign Exchange Translation Reserve S\$'000</b>	<b>Retained Earnings S\$'000</b>	<b>Total equity attributable to equity of holders of the Company S\$'000</b>
<b>As at 1 January 2013</b>	136,623	(2,833)	46,723	180,513
<b>Changes in equity for first quarter</b>				
Profit for the period	-	-	5,256	5,256
Other comprehensive income for the period	-	248	-	248
<b>Total comprehensive income for the quarter</b>	-	248	5,256	5,504
<b>As at 31 March 2013</b>	<u>136,623</u>	<u>(2,585)</u>	<u>51,979</u>	<u>186,017</u>
<b>Changes in equity for second quarter</b>				
Profit for the period	-	-	7,837	7,837
Other comprehensive income for the period	-	185	-	185
<b>Total comprehensive income for the quarter</b>	-	185	7,837	8,022
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 30 June 2013</b>	<u>136,623</u>	<u>(2,400)</u>	<u>52,941</u>	<u>187,164</u>
<b>Changes in equity for third quarter</b>				
Profit for the period	-	-	4,809	4,809
Other comprehensive income for the period	-	(1,513)	-	(1,513)
<b>Total comprehensive income for the quarter</b>	-	(1,513)	4,809	3,296
Dividend paid	-	-	(3,438)	(3,438)
<b>As at 30 September 2013</b>	<u>136,623</u>	<u>(3,913)</u>	<u>54,312</u>	<u>187,022</u>
<b>Changes in equity for fourth quarter</b>				
Profit for the period	-	-	10,978	10,978
Other comprehensive income for the period	-	6	-	6
<b>Total comprehensive income for the quarter</b>	-	6	10,978	10,984
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 31 December 2013</b>	<u>136,623</u>	<u>(3,907)</u>	<u>58,415</u>	<u>191,131</u>

	Share Capital 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 2012</b>	136,623	85	47,927	184,635
<b>Changes in equity for first quarter</b>				
Profit for the period	-	-	1,296	1,296
<b>Total comprehensive expenses for the quarter</b>	-	-	1,296	1,296
<b>As at 31 March 2012</b>	136,623	85	49,223	185,931
<b>Changes in equity for second quarter</b>				
Loss for the period	-	-	(216)	(216)
<b>Total comprehensive income for the quarter</b>	-	-	(216)	(216)
Dividend paid	-	-	(10,313)	(10,313)
<b>As at 30 June 2012</b>	136,623	85	38,694	175,402
<b>Changes in equity for third quarter</b>				
Profit for the period	-	-	22,475	22,475
<b>Total comprehensive expenses for the quarter</b>	-	-	22,475	22,475
Dividend paid	-	-	(3,437)	(3,437)
<b>As at 30 September 2012</b>	136,623	85	57,732	194,440
<b>Changes in equity for fourth quarter</b>				
Profit for the period	-	-	2,739	2,739
<b>Total comprehensive expenses for the quarter</b>	-	-	2,739	2,739
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 31 December 2012</b>	136,623	85	53,596	190,304

	Share Capital 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 2013</b>	136,623	85	53,596	190,304
<b>Changes in equity for first quarter</b>				
Loss for the period	-	-	(337)	(337)
<b>Total comprehensive expenses for the quarter</b>	-	-	(337)	(337)
<b>As at 31 March 2013</b>	136,623	85	53,259	189,967
<b>Changes in equity for second quarter</b>				
Profit for the period	-	-	5,012	5,012
<b>Total comprehensive income for the quarter</b>	-	-	5,012	5,012
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 30 June 2013</b>	136,623	85	51,396	188,104
<b>Changes in equity for third quarter</b>				
Profit for the period	-	-	3,727	3,727
Other comprehensive income for the period	-	(85)	-	(85)
<b>Total comprehensive (expenses)/ income for the quarter</b>	-	(85)	3,727	3,642
Dividend paid	-	-	(3,438)	(3,438)
<b>As at 30 September 2013</b>	136,623	-	51,685	188,308
<b>Changes in equity for fourth quarter</b>				
Profit for the period	-	-	14,173	14,173
<b>Total comprehensive expenses for the quarter</b>	-	-	14,173	14,173
Dividend paid	-	-	(6,875)	(6,875)
<b>As at 31 December 2013</b>	136,623	-	58,983	195,606

- 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.**

There was no change in the Company's issued share capital since last financial year ended 31 December 2012 to 31 December 2013.

- 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 2013 was 343,754,327 (31 December 2012: 343,754,327).

- 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.**

There was no treasury share as at 31 December 2012 and 31 December 2013.

**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.**

Except as stated in Note 5, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those of the audited financial statements for the financial year ended 31 December 2012.

**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.**

The Group has adopted all the new and revised Singapore Financial Reporting Standards (FRS) and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2013.

The adoption of the new/ revised FRS and INT FRS does not result in any significant changes to the accounting policies of the Group and has no material effect on the amounts reported for the current and prior periods.

**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.**

	<b>Group</b>			
	<b>4Q</b>		<b>Full Year Ended</b>	
	<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>31-Dec-13</b>	<b>31-Dec-12</b>
<b>Earnings per share (EPS)</b>				
(a) Based on weighted average number of outstanding ordinary shares in issue; and	3.19 cents	0.35 cents	8.40 cents	4.94 cents
(b) On a fully diluted basis	3.19 cents	0.35 cents	8.40 cents	4.94 cents

The basic earnings per share for the latest and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 of outstanding ordinary shares. The diluted earnings per share for the latest and the previous corresponding period have been calculated based on 343,754,327 of outstanding ordinary shares.

**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.**

	<b>Group</b>		<b>Company</b>	
	<b>31-Dec-13</b>	<b>31-Dec-12</b>	<b>31-Dec-13</b>	<b>31-Dec-12</b>
Net asset per ordinary share based on existing issued share capital as at end of period reported on	55.60 cents	52.51 cents	56.90 cents	55.36 cents

The net asset per outstanding ordinary share as at both the current and the previous financial year have been calculated based on 343,754,327 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.

#### Revenue

##### Full Year 2013 Vs 2012

	Group		
	Full Year Ended		
	31-Dec-13	31-Dec-12	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	3,004	6,557	-54%
Semiconductor (Semicon)	117,492	106,655	10%
	120,496	113,212	6%
<b>Geographical Regions</b>			
Singapore	68,473	72,664	-6%
United States of America ('US')	27,166	21,893	24%
Others	24,857	18,655	33%
	120,496	113,212	6%

#### Revenue

##### 4Q 2013 Vs 4Q 2012

	Group		
	4Q		
	31-Dec-13	31-Dec-12	Change
	S\$'000	S\$'000	%
<b>Business Segments</b>			
Contract Equipment Manufacturing (CEM)	1,265	1,375	-8%
Semiconductor (Semicon)	33,190	20,256	64%
	34,455	21,631	59%
<b>Geographical Regions</b>			
Singapore	18,530	12,431	49%
United States of America ('US')	8,581	5,112	68%
Others	7,344	4,088	80%
	34,455	21,631	59%

#### Revenue

UMS revenue for the three months ended 31 December 2013 ("4Q2013") increased by 59% to S\$34.5 million, as compared to S\$21.6 million in the previous corresponding period ("4Q2012"). This was mainly due to higher semiconductor component and integrated system sales during 4Q2013. Quarter-on-quarter, UMS 4Q2013 revenue increased by 36% from S\$25.4 million in the preceding quarter ("3Q2013"). This was attributed to strong customers demand in the global semiconductor market this quarter.

Segmentally, revenue in the Semicon segment soared 64% to S\$33.2 million in 4Q2013 from S\$20.3 million in 4Q2012. Revenue contribution from the CEM decreased by 8% to S\$1.3 million in 4Q2013, compared to that of S\$1.4 million a year ago. Compared to the preceding quarter of 3Q2013, Semicon revenue in 4Q2013 increased by 35% while CEM revenue in 4Q2013 increased 70%.

Geographically, Singapore continued to be the key revenue contributor of UMS, contributing S\$18.5 million in 4Q2013 which is a 49% increase as compared to S\$12.4 million in 4Q2012. This is mainly due to higher semiconductor component and integrated system sales. For the same period, revenue from the US in 4Q2013 increased by 68% to S\$8.6 million as compared to S\$5.1 million in 4Q2012, while revenue from Others soared 80% from S\$4.1 million in 4Q2012 to S\$7.3 million in 4Q2013. The increase in sales is mainly due to higher component sales.

For the year ended 31 December 2013 (“FY2013”), UMS revenue improved 6% to S\$120.5 million, compared to \$113.2 million a year ago (“FY2012”). The improvement on revenue was mainly due to the strong performance from the last quarter of this year. Similarly, revenue from Semicon segment improved 10% to S\$117.5 million in FY2013 from S\$106.7 million in FY2012. Revenue from CEM segment declined 54% from S\$6.6 million in FY2012 to S\$3.0 million in FY2013.

Over the same period, UMS revenue from Singapore in FY2013 decreased by 6% from S\$72.7 million in FY2012 to S\$68.5 million in FY2013. Revenue in US increased by 24% in FY2013 to S\$27.2 million from S\$21.9 million in FY2012, while revenue from Others increased by 33% from S\$18.7 million in FY2012 to S\$24.9 million in FY2013.

### **Profitability**

In 4Q2013, UMS’s gross material margin increased by 22 percentage points over 4Q2012 and this was mainly due to better product mix and inventory provisions. . Employee benefits expense increased by 80% from S\$2.2 million in 4Q2012 to S\$4.0 million in 4Q2013 due to higher headcount and overtime costs incurred to achieve higher production output as well as higher bonus provisions. Depreciation expenses decreased from S\$2.6 million in 4Q2012 to S\$2.0 million in 4Q2013 due to some assets being fully depreciated.

Other expenses increased by 19% from S\$2.6 million in 4Q2012 to S\$3.1 million in 4Q2013 mainly due to higher machinery repairs incurred during the quarter. Other credits/charges decreased by 135% in charges from S\$0.6 million in 4Q2012 to a credit of S\$0.2 million in 4Q2013. The decrease was a result of exchange gain (S\$0.3 million) resulting from the appreciation of USD against SGD in 4Q2013 as well as lower inventory provisions in 4Q2013 as compared to 4Q2012.

UMS recorded net profit increase to S\$11.0 million in 4Q2013, representing an increase of 806% from S\$1.2 million in 4Q2012.

In FY2013, UMS’ gross material margin increased to 54% as compared to 49% in FY2012. Employee benefits expense increased by 13% from S\$11.6 million in FY2012 to S\$13.1 million in FY2013. Depreciation expense decreased from S\$10.6 million in FY2012 to S\$7.9 million in FY2013.

Other expenses saw an increment of 10% from S\$10.9 million in FY2012 to S\$12.0 million in FY2013. In line with the higher profit, income tax expense saw an increase. The higher effective tax rate in FY2013 compared to that of FY2012, was mainly due to a larger portion of profits recognised in US which has a higher tax rate compared to other entities within the Group.

As a result of the above, UMS recorded a net profit of S\$28.8 million for FY2013, a 70% increase from S\$17.0 million in FY2012.

### **Cashflow**

In line with UMS’ good cash flow generating capabilities, the Group registered a positive operating cash flow of S\$6.7 million and free cash flow of S\$5.8 million in 4Q2013, compared to S\$7.4 million and S\$6.8 million respectively in 4Q2012. The cash flow generated as a percentage of net profit after tax for the current three month period was lower than those of previous quarters. This was mainly due to increased working capital deployed to support higher business volume in the current and coming quarters.

For the full year, UMS generated a positive operating cash flow of S\$27.8 million and free cash flow of S\$25.8 million, as compared to S\$31.1 million and S\$29.3 million respectively in FY2012. In view of the healthy cashflow, UMS paid dividends and settled its bank borrowings totaling \$42.3 million during the year.

As of 31 December 2013, UMS has no debt and its net cash and cash equivalents remained healthy at S\$29.2 million as compared to that of \$15.3 million as at 31 December 2012.

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

The current announced results are in line with the general prospect commentary previously disclosed to shareholders in the 3Q2013 results announcement made on 13 November 2013. Amongst others, the Group had commented that it expected the fourth quarter financial performance to be better than that of last year.

**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 registered a good set of financial performance during the fourth quarter of FY2013, as the global semiconductor equipment industry resumed its growth and foundries picked up pace on their capital expenditure programs.

Going into the new year, a leading global semiconductor trade association, the SEMI Year-end Forecast predicts that the semiconductor equipment sales to grow by 23.2%. 2015 sales are also expected to continue to grow — increasing 2.4 percent with Japan, Europe, Korea, China, and Rest of World regions registering positive growth<sup>1</sup> (published on Dec 2013). As such stronger orders and increased activities during this last quarter will likely continue into the first half of FY2014.

Barring any unforeseen circumstances, the Group will remain profitable in FY2014.

*Footnote:*

Refer to <http://www.semi.org/en/en/node/48216> for SEMI citation

**11 Dividend**

**(a) Current Financial Period Reported**

Any dividend declared for the current financial period reported on? **Yes**

Name of Dividend	Proposed Final Dividend	Proposed Special Dividend
Dividend Type	Cash	Cash
Dividend Amount (SGD)	2.0 cents per ordinary share, (tax exempt one-tier)	1.5 cents per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable	Not applicable

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

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

Name of Dividend	Proposed Final Dividend	Proposed Special Dividend
Dividend Type	Cash	Not applicable
Dividend Amount (SGD)	2.0 cents per ordinary share, (tax exempt one-tier)	Not applicable
Tax rate	Not applicable	Not applicable

**(c) Date payable**

The proposed Final Dividend and Special Dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 28 May 2014.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 9 May 2014, for the purpose of determining members' entitlements to the Final Dividend of 2.0 cents per ordinary share and Special Dividend of 1.5 cent per ordinary share (tax-exempt one-tier) for the financial year ending 31 December 2013.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 up to the close of business at 5.00 p.m. on 8 May 2014 will be registered before entitlement to the Proposed Final Dividend and Special Dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2014 will be entitled to the Proposed Final Dividend and Special Dividend.

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

Not applicable.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920 (1) (a) (ii). If no IPT mandate has been obtained, a statement to that effect.

	<b>Full Year Ended 31 December 2013</b>
Name of interested person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX Listing Manual) <b>S\$'000</b>
<b>Sure Achieve Enterprises Pte Ltd (Note 1)</b> Consultancy Services charges	658
<b>Kalf Engineering Pte Ltd (Note 2)</b> Factory rental	48

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director. She was formerly the executive director/COO of the UMS Group and is the wife of the CEO, Mr. Andy Luong. She left the Company's employ on 6 March 2013 and continued as a consultant thereafter.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd for the year ended 31 December 2013 amounted to S\$658,000 which represented approximately 0.5% of the Group's latest audited net tangible assets as at 31 December 2012.

Note 2: Kalf Engineering Pte Ltd is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest. The factory rental arrangement ceased on 31 August 2013.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

- 14 **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>	
	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000	2013 S\$'000	2012 S\$'000
<b>Group</b>						
Total segment sales	7,557	13,659	156,736	138,408	164,293	152,067
Inter-segment sales	(4,553)	(7,102)	(39,244)	(31,753)	(43,797)	(38,855)
Sales to external parties	3,004	6,557	117,492	106,655	120,496	113,212
<b>Adjusted EBITDA</b>	1,134	3,070	39,369	26,404	40,503	29,474
Finance income	2	3	148	68	150	71
Finance expense	(1)	(51)	(65)	(216)	(66)	(267)
Depreciation	(2,264)	(2,925)	(5,611)	(7,668)	(7,875)	(10,593)
<b>Total assets</b>	10,268	17,410	341,082	334,931	351,350	352,341
Total assets includes:						
Additions to property, plant and equipment	-	-	1,994	1,747	1,994	1,747
<b>Total liabilities</b>	2,058	10,679	37,997	41,260	40,055	51,939

	<b>Group</b>	
	2013 S\$'000	2012 S\$'000
Adjusted EBITDA for reportable segments	40,503	29,474
Depreciation	(7,875)	(10,593)
Finance expense	(66)	(267)
Finance income	150	71
Profit before income tax	32,712	18,685

## Geographical Segments

Group	Singapore		USA		Others		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total sales to external parties	68,473	72,664	27,166	21,893	24,857	18,655	120,496	113,212
Other geographical information:								
Non-current assets:								
Property, plant and equipment	11,639	16,767	114	170	31,666	33,293	43,419	50,230
Investment property	2,848	3,068	-	-	-	-	2,848	3,068
Goodwill	80,759	80,759	-	-	924	924	81,683	81,683
	95,246	100,594	114	170	32,590	34,217	127,950	134,981

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

	Group	
	2013	2012
	S\$'000	S\$'000
Total asset for reportable segments from continued operations	351,350	352,341
Elimination of inter-segment receivables	(135,588)	(140,278)
Total assets	215,762	212,063

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

	Group	
	2013	2012
	S\$'000	S\$'000
Total liabilities for reportable segments from continued operations	40,055	51,939
Elimination of inter-segment payables	(15,424)	(20,389)
Total liabilities	24,631	31,550

**15 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.

**16 A breakdown of sales as follows:**

		Group		Change
		2013	2012	
		S\$'000	S\$'000	%
(a)	Sales reported for first half	60,666	68,629	-12%
(b)	Operating profit after tax before deducting minority interests reported for first half year	13,093	13,657	-4%
(c)	Sales reported for second year	59,830	44,583	34%
(d)	Operating profit after tax before deducting minority interests reported for second half year	15,787	3,341	373%

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

	2013	2012
Ordinary	S\$'000	S\$'000
Interim Dividend	10,313	10,312
Proposed Final Dividend	6,875	6,875
Proposed Special Dividend	5,156	-
<b>Total</b>	22,344	17,187

18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director, chief executive officer and/ or substantial shareholder	Current position and duties, and the year the position was first held	Detail of changes in duties and position held, if any, during the year
Andy Luong	53	Husband of Lee Luong Sylvia S Y, Business Consultant of the Company.	Appointed as Executive Director on 01 April 2004. He was appointed as Chief Executive Officer since January 2005, responsible for the day-to day management of the business. He is also responsible in the business directions and operational efficiency of the Group.	None
Lee Luong Sylvia S Y	53	Wife of Andy Luong, Chief Executive Officer of the Company.	Appointed as Executive Director on 30 June 2010. She was appointed as Chief Operating Officer with effect from 23 November 2007, with executive powers over the operations of the Group. Redesignated as consultant with effect from 6 March 2013, responsible for sales consultancy services.	Mrs Lee Luong Sylvia S Y was redesignated as Consultant of the Company via Sure Achieve Enterprises Pte Ltd with effect from 6 March 2013.

On behalf of the Board

**Luong Andy**  
Chief Executive Officer

**Stanley Loh Meng Chong**  
Executive Director

**BY ORDER OF THE BOARD**

**Luong Andy**  
Chief Executive Officer  
28 February 2014