

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 2011

	Group					
	4Q			Full Year Ended		
	31-Dec-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	25,156	33,803	-26%	114,427	129,033	-11%
Net finance income/ (expense) (Note (a))	26	(70)	N.M	(116)	(473)	-75%
Changes in inventories	(3,954)	(3,506)	13%	(1,429)	9,258	N.M
Raw material purchases and sub-contractors charges	(7,585)	(10,404)	-27%	(49,199)	(66,001)	-25%
Employee benefits expense	(3,072)	(2,911)	6%	(12,768)	(12,810)	0%
Depreciation expense	(2,576)	(2,973)	-13%	(10,572)	(11,890)	-11%
Other expenses (Note (b))	(2,579)	(2,904)	-11%	(11,543)	(10,670)	8%
Other credits/ (charges) (Note (c))	966	(2,281)	N.M	2,523	(3,158)	N.M
Profit before income tax	6,382	8,754	-27%	31,323	33,289	-6%
Income tax (expense)/ tax credit (Note (d))	(667)	304	N.M	(3,683)	(4,544)	-19%
Profit for the period from continuing operations	5,715	9,058	-37%	27,640	28,745	-4%
Attributable to:						
Equity holders of the Company	5,715	9,058	-37%	27,640	28,745	-4%
Minority interests	-	-	N.M	-	-	N.M
	5,715	9,058	-37%	27,640	28,745	-4%
Earnings per ordinary share (in cents)						
- basic and diluted	1.66	2.63	-37%	8.04	8.25	-3%

N.M - Not meaningful

NOTES TO INCOME STATEMENT**Note (a) Net finance income/ (expense)**

	Group					
	4Q			Full Year Ended		
	31-Dec-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income	57	11	418%	95	32	197%
Interest expense	(31)	(81)	-62%	(211)	(505)	-58%
Finance income/ (expense) - net	26	(70)	N.M	(116)	(473)	-75%

Note (b) Other expenses

	Group					
	4Q			Full Year Ended		
	31-Dec-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(624)	(317)	97%	(1,684)	(602)	180%
Rental expense (includes leasing of land) (Note (ii))	(350)	(380)	-8%	(1,503)	(1,428)	5%
Utilities	(999)	(1,109)	-10%	(4,396)	(4,415)	0%
Freight charges	(55)	(162)	-66%	(840)	(988)	-15%
Upkeep of properties	(3)	(39)	-92%	(216)	(281)	-23%
Upkeep of machinery	(199)	(487)	-59%	(1,188)	(1,294)	-8%
Others	(349)	(410)	-15%	(1,716)	(1,662)	3%
	(2,579)	(2,904)	-11%	(11,543)	(10,670)	8%

Note 1(a)(b) (i) - The increase in legal and professional fees were mainly due to fees incurred in connection with the Company's dual listing in Korea.

Note 1 (a)(b)(ii) – The increase in rental expense in FY2011 was mainly due to increase in rent rate for a factory building as compared to last year. The decrease in 4Q2011 is due to the reduction in land lease expense subsequent to the sale of a factory building.

Note (c) Other credits/ (charges)

	Group					
	4Q			Full Year Ended		
	31-Dec-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Gain/ (Loss) on exchange difference (Note (i))	615	(751)	N.M	192	(1,426)	N.M
Gain on disposal of assets classified as held for sale (Note (ii))	-	-	N.M	3,510	36	9650%
Gain on disposal of Property, plant & equipment	7	-	N.M	7	-	N.M
Property, plant & equipment written off	(5)	-	N.M	(23)	-	N.M
Loss on liquidation of a subsidiary (Note (iii))	-	(308)	-100%	-	(348)	-100%
Inventories written off	-	(442)	-100%	(74)	(442)	-83%
Reversal/ (provision) for impairment of inventories	156	(846)	N.M	(1,457)	(1,306)	12%
Gain on disposal of a subsidiary (Note (iv))	150	-	N.M	91	-	N.M
Others	43	66	-35%	277	328	-16%
	966	(2,281)	N.M	2,523	(3,158)	N.M

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

Note 1(a)(c)(ii) - This relates to the disposal of factory buildings in Penang, Malaysia and Singapore in 3Q2011.

Note 1(a)(c)(iii) - 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 1(a)(c)(iv) - On 15 April 2011, the Company entered into an agreement to dispose of its subsidiary, Ultimate Manufacturing Solutions (Suzhou) Co., Ltd for a total consideration of US\$480,000. Unutilised provision for expenses incurred in relation to the disposal was reversed in 4Q2011.

Note (d) Income tax

	Group					
	4Q			Full Year Ended		
	31-Dec-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(1,580)	792	N.M	(4,405)	(4,056)	9%
- Deferred tax	913	(488)	N.M	722	(488)	N.M
	(667)	304	N.M	(3,683)	(4,544)	-19%

Lower income tax expense is mainly due to lower provision from an overseas subsidiary who have obtained the pioneer tax incentive.

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 2011 S\$'000	31 Dec 2010 S\$'000	31 Dec 2011 S\$'000	31 Dec 2010 S\$'000
ASSETS				
Current Assets				
Cash and cash equivalents (Note (ii))	37,947	20,532	3,242	3,394
Trade receivables and other current assets (Note (ii))	11,081	19,505	4,729	1,920
Inventories (Note (iii))	33,076	34,505	-	-
	<u>82,104</u>	<u>74,542</u>	<u>7,971</u>	<u>5,314</u>
Asset classified as held for sale (iv)	-	4,416	-	-
	<u>82,104</u>	<u>78,958</u>	<u>7,971</u>	<u>5,314</u>
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	180,444	162,904
Property, plant and equipment	59,495	65,501	-	-
Investment property	3,390	3,614	-	-
Financial assets, held-to-maturity	4,545	4,490	-	-
Goodwill	60,702	60,702	-	-
	<u>128,132</u>	<u>134,307</u>	<u>180,444</u>	<u>162,904</u>
Total Assets	210,236	213,265	188,415	168,218
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	15,336	18,471	3,751	1,708
Income tax payable	3,923	4,498	29	-
Current portion of finance leases obligation (Note (v))	2,527	4,474	-	-
	<u>21,786</u>	<u>27,443</u>	<u>3,780</u>	<u>1,708</u>
Non Current Liabilities				
Deferred tax	2,082	3,026	-	-
Finance leases obligation (Note (v))	138	2,665	-	-
Long-term provision *	800	1,200	-	-
	<u>3,020</u>	<u>6,891</u>	<u>-</u>	<u>-</u>
Total Liabilities	24,806	34,334	3,780	1,708
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(1,543)	(1,028)	85	85
Retained earnings	50,350	43,336	47,927	29,802
Total Equity	185,430	178,931	184,635	166,510
Total Liabilities and Equity	210,236	213,265	188,415	168,218

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 December 2011 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Dec-2011 %	31-Dec-2010 %	31-Dec-2011 S\$'000	31-Dec-2010 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) ¹	-	100	-	2,102
ASL International Trading, Inc (United States)	100	100	33	33
UMS Aerospace Pte Ltd (Singapore)	100	100	20,000	20,000
UMS Solar Pte Ltd (Singapore)	100	100	10	10
Ultimate Machining Solutions (M) Sdn. Bhd. ² (Malaysia)	100	100	30,772	6,232
Unquoted equity shares, at cost			188,562	166,124
Add: Expenses recognised relating to equity settled share-based payments			42	42
Add: Corporate guarantee given to subsidiaries			56	56
Less: Provision for impairment			(8,216)	(3,318)
			180,444	162,904
<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		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
A1 Metal Sdn. Bhd. ³ (Malaysia)	100	100		

Note:

¹ The subsidiary was disposed during the period.

² During the period, the Company increased its investment in Ultimate Machining Solutions (M) Sdn. Bhd. by subscribing to an additional 60,000,000 ordinary shares of MYR1.00 each.

³ The subsidiary was placed under voluntary deregistration.

Note 1(b)(i)(ii) – The increase in cash and cash equivalents by S\$17.4 million was mainly due to the proceeds from sale of assets held for sale and better collections in trade and other receivables during the period.

Note 1(b)(i)(iii) – Inventories decreased by 4% as compared to last year. When compared with 3Q2011, inventories decreased by S\$3.9 million or 10% due to management’s continued efforts to tighten working capital management.

Note 1(b)(i)(iv) –Assets classified as held for sale were disposed off during the period.

Note 1(b)(i)(v) – The total decrease in finance lease obligations by S\$4.4 million was due to repayments made during the period.

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 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
2,527	-	2,527	4,474	-	4,474

Amount repayable after one year

As at 31 Dec 2011			As at 31 Dec 2010		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
138	-	138	2,665	-	2,665

Details of any collateral

The Group’s borrowings comprise mainly of finance leases. The finance leases are secured by mortgages over the plant and machinery of a subsidiary.

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-11 S\$'000	31-Dec-10 S\$'000	31-Dec-11 S\$'000	31-Dec-10 S\$'000
Cash flows from operating activities				
Net profit before income tax	6,382	8,754	31,323	33,289
Adjustments for:				
Depreciation expense	2,576	2,973	10,572	11,890
(Reversal)/ provision for impairment of inventories (net)	(156)	846	1,457	1,306
Inventories written off	-	442	74	442
Property, plant and equipment written off	5	-	23	-
Gain on disposal of assets classified as held for sale	-	-	(3,510)	(36)
Gain on disposal of Property, plant and equipment	(7)	-	(7)	-
Loss on liquidation and deregistration of subsidiaries	-	308	-	348
Gain on disposal of a subsidiary	(150)	-	(91)	-
Interest income	(57)	(11)	(95)	(32)
Interest expense	31	81	211	505
Unrealised foreign exchange adjustment (gain)/ loss	(230)	611	(1,271)	1,079
Operating cash flow before working capital changes	8,394	14,004	38,686	48,791
Changes in operating assets and liabilities:				
Trade receivables and other current assets	(7,081)	(3,218)	9,506	(9,798)
Inventories	4,035	2,219	(102)	(11,005)
Trade and other payables	567	355	(4,173)	3,545
Cash generated from operations	5,915	13,360	43,917	31,533
Income tax paid	(156)	(244)	(4,811)	(244)
Net cash generated from operating activities	5,759	13,116	39,106	31,289
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	8	-	8	-
Purchase of property, plant and equipment	(324)	(1,687)	(7,481)	(7,621)
Proceeds from disposal of assets classified as held for sale	-	(1)	9,998	705
Net cash inflow on disposal of a subsidiary	611	-	551	-
Interest received	57	11	95	32
Net cash generated from/ (used in) investing activities	352	(1,677)	3,171	(6,884)
Cash flows from financing activities				
Repayment of borrowings	-	-	-	(9,959)
Dividends paid	(3,438)	(3,437)	(20,626)	(10,417)
Share buy-back	-	-	-	(2,705)
Repayment of finance leases obligation	(895)	(1,373)	(4,474)	(3,287)
Increase in fixed deposit - restricted	(4)	0	(44)	(53)
Interest paid	(31)	(81)	(211)	(505)
Net cash used in financing activities	(4,368)	(4,891)	(25,355)	(26,926)
Net effect of exchange rate changes	238	(221)	449	(1,678)
Net increase/ (decrease) in cash and cash equivalents	1,981	6,327	17,371	(4,199)
Cash and cash equivalents at beginning of the period	35,688	13,971	20,298	24,497
Cash and cash equivalents at end of the period	37,669	20,298	37,669	20,298
Fixed deposit - restricted in use			278	234
Cash and cash equivalents in the Balance Sheet			37,947	20,532

- 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-11	31-Dec-10	Change	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Profit for the period	5,715	9,058	-37%	27,640	28,745	-4%
Other comprehensive income/ (expense):						
Currency translation differences arising on consolidation	294	183	61%	(464)	476	N.M
Total comprehensive income for the period	6,009	9,241	-35%	27,176	29,221	-7%
Attributable to:						
Equity holders of the Company	6,009	9,241	-35%	27,176	29,221	-7%
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 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
Changes in equity for fourth quarter						
Profit for the period	-	-	-	-	9,058	9,058
Other comprehensive income for the period	-	-	-	183	-	183
Total comprehensive income for the quarter	-	-	-	183	9,058	9,241
Dividend paid	-	-	-	-	(3,437)	(3,437)
As at 31 December 2010	136,623	-	51	(1,079)	43,336	178,931

	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 2011	136,623	-	51	(1,079)	43,336	178,931
Changes in equity for first quarter						
Profit for the period	-	-	-	-	7,553	7,553
Other comprehensive income for the period	-	-	-	(66)	-	(66)
Total comprehensive income for the quarter	-	-	-	(66)	7,553	7,487
As at 31 March 2011	136,623	-	51	(1,145)	50,889	186,418
Changes in equity for second quarter						
Profit for the period	-	-	-	-	7,031	7,031
Other comprehensive income for the period	-	-	-	(793)	-	(793)
Total comprehensive income for the quarter	-	-	-	(793)	7,031	6,238
Disposal of a subsidiary	-	-	(51)	-	-	(51)
Dividend paid	-	-	-	-	(13,750)	(13,750)
As at 30 June 2011	136,623	-	-	(1,938)	44,170	178,855
Changes in equity for third quarter						
Profit for the period	-	-	-	-	7,341	7,341
Other comprehensive income for the period	-	-	-	101	-	101
Total comprehensive income for the quarter	-	-	-	101	7,341	7,442
Dividend paid	-	-	-	-	(3,438)	(3,438)
As at 30 September 2011	136,623	-	-	(1,837)	48,073	182,859
Changes in equity for fourth quarter						
Profit for the period	-	-	-	-	5,715	5,715
Other comprehensive income for the period	-	-	-	294	-	294
Total comprehensive income for the quarter	-	-	-	294	5,715	6,009
Dividend paid	-	-	-	-	(3,438)	(3,438)
As at 31 December 2011	136,623	-	-	(1,543)	50,350	185,430

	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					
Profit for the period	-	-	-	4,646	4,646
Total comprehensive income 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					
Profit for the period	-	-	-	9,770	9,770
Total comprehensive income 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
Changes in equity for fourth quarter					
Profits for the period	-	-	-	20,917	20,917
Total comprehensive expenses for the quarter	-	-	-	20,917	20,917
Dividend paid	-	-	-	(3,437)	(3,437)
As at 31 December 2010	136,623	-	85	29,802	166,510

	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 2011	136,623	-	85	29,802	166,510
Changes in equity for first quarter					
Loss for the period	-	-	-	(693)	(693)
Total comprehensive expenses for the quarter	-	-	-	(693)	(693)
As at 31 March 2011	136,623	-	85	29,109	165,817
Changes in equity for second quarter					
Profit for the period	-	-	-	24,037	24,037
Total comprehensive income for the quarter	-	-	-	24,037	24,037
Dividend paid	-	-	-	(13,750)	(13,750)
As at 30 June 2011	136,623	-	85	39,396	176,104
Changes in equity for third quarter					
Loss for the period	-	-	-	(616)	(616)
Total comprehensive expenses for the quarter	-	-	-	(616)	(616)
Dividend paid	-	-	-	(3,438)	(3,438)
As at 30 September 2011	136,623	-	85	35,342	172,050
Changes in equity for fourth quarter					
Profits for the period	-	-	-	16,023	16,023
Total comprehensive expenses for the quarter	-	-	-	16,023	16,023
Dividend paid	-	-	-	(3,438)	(3,438)
As at 31 December 2011	136,623	-	85	47,927	184,635

- 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 the last financial year end 31 December 2010.

- 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 2011 was 343,754,327 (31 December 2010: 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 2010 and 31 December 2011.

- 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 2010.

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 adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 July 2010 and 1 January 2011. 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 and amended FRS that are relevant to the Group:

- (i) Revised FRS 24- Related Party Disclosures
- (ii) Amendments to FRS 107- Financial Instruments: Disclosures
- (iii) Amendments to FRS 1- Presentation of Financial Statements
- (iv) Amendments to FRS 103- Business Combinations under the improvement to FRS 2010
- (v) Amendments to FRS 27- Consolidated and Separate Financial Statements and the improvement to FRS 2010.

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

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			
	4Q		Full Year Ended	
	31-Dec-11	31-Dec-10	31-Dec-11	31-Dec-10
Earnings per share (EPS)				
(a) Based on weighted average number of outstanding ordinary shares in issue; and	1.66 cents	2.63 cents	8.04 cents	8.25 cents
(b) On a fully diluted basis	1.66 cents	2.63 cents	8.04 cents	8.25 cents

The basic earnings per share for the year ended 2011 and previous corresponding year have been calculated based on the weighted average number of 343,754,327 and 348,619,297 of outstanding ordinary shares. Basic earning per share for 4Q and the previous corresponding period have been calculated based on the weighted average number of 343,754,327 and 343,754,327 of outstanding ordinary shares respectively. The diluted earnings per share for year ended 2010 and the previous corresponding year have been calculated based on 343,754,327 and 348,619,297 of outstanding ordinary shares respectively. The diluted earnings per share for 4Q and the previous corresponding period have been calculated based on 343,754,327 and 343,754,327of 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-11	31-Dec-10	31-Dec-11	31-Dec-10
Net asset per ordinary share based on existing issued share capital as at end of period reported on	53.94 cents	52.05 cents	53.71 cents	48.44 cents

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 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.**

Full Year 2011 Vs Full Year 2010

	Group		
	Full Year Ended		
	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	7,180	9,852	-27%
Semiconductor (Semicon)	107,247	119,181	-10%
	114,427	129,033	-11%
Geographical Regions			
Singapore	69,344	69,800	-1%
United States of America ('US')	27,666	39,015	-29%
Others	17,417	20,218	-14%
	114,427	129,033	-11%

4Q2011 Vs 4Q2010

	Group		
	4Q		
	31-Dec-11	31-Dec-10	Change
	S\$'000	S\$'000	%
Business Segments			
Contract Equipment Manufacturing (CEM)	2,471	1,479	67%
Semiconductor (Semicon)	22,685	32,324	-30%
	25,156	33,803	-26%
Geographical Regions			
Singapore	15,696	20,088	-22%
United States of America ('US')	5,256	8,996	-42%
Others	4,204	4,719	-11%
	25,156	33,803	-26%

Revenue

UMS' revenue for the three months ended 31 December 2011 ("4Q2011") decreased 26% to S\$25.2 million from S\$33.8 million in the previous corresponding period ("4Q2010"). This was attributed mainly to the continuing weak global macro-economy and weak consumer demand which affected the demand for equipment in the semiconductor industry.

In 4Q2011, UMS' revenue from the semiconductor ("Semicon") segment fell by 30% to S\$22.7 million from S\$32.3 million in 4Q2010. Over the same period, the revenue contribution from the Contract Equipment Manufacturing ("CEM") segment grew by 67% from S\$1.5 million in 4Q2010 to S\$2.5 million in 4Q2011.

Sequentially, UMS' revenue in 4Q2011 grew by 16% quarter-on-quarter, from S\$21.7 million in the preceding quarter for the three months ended 30 September 2011 ("3Q2011"). UMS saw an increase in its rush orders from major customers in 4Q2011, which were possibly postponed from the previous quarter. While it is too early to conclude whether the recovery experienced by the semiconductor equipment industry can be sustained into the next few quarters, UMS saw end-users beginning to pick up their activities in 4Q2011. This is in sharp contrast to the more cautious approach in the previous quarter where many are holding back capital expenditure.

Consequently, revenue in 4Q2011 from the Semicon segment grew by 9% from S\$20.7million in 3Q2011 to S\$22.7 million. Similarly, revenue from the CEM segment increased by 168% to S\$2.5 million as compared to S\$0.9 million in 3Q2011.

Geographically, UMS' major customers continued their strategy of outsourcing more to Asia. Singapore continued to be the key revenue contributor of UMS, contributing S\$15.7 million in 4Q2011, representing a 22% decline as compared to S\$20.1 million in 4Q2010. Over the same period, revenue from United States decreased by 42% to S\$5.3 million in 4Q2011 from S\$9.0 million in 4Q2010 while contribution from Others also declined 11% to S\$4.2 million in 4Q2011 from S\$4.7 million in 4Q2010.

Accordingly, for the year ended 31 December 2011 ("FY2011"), UMS' revenue declined by 11% from S\$129.0 million in the previous corresponding period ("FY2010") to S\$114.4 million. Revenue from the Semicon segment stood at S\$107.2 million in FY2011, a decline of 10% from S\$119.2 million in FY2010 while CEM's revenue contribution decline by 27% from S\$9.9 million in FY2010 to S\$7.2 million in FY2011.

Geographically, revenue from Singapore remained relatively flat at S\$69.3 million in FY2011, as compared to S\$69.8 million in FY2010 while United States contributed S\$27.7 million in FY2011, falling by 29% from S\$39.0 million in FY2010. Revenue contribution from Others also weaken by 14% to S\$17.4 million in FY2011 compared to S\$20.2 million in FY2010.

Profitability

In 4Q2011, raw material and sub-contractor costs declined 27% to S\$7.6 million from S\$10.4 million in 4Q2010 in line with reduced sales. Personnel related costs (i.e. employee benefits expense) stood at S\$3.1 million in 4Q2011, an increase of 6% as compared to S\$2.9 million over the same period a year ago.

Other expenses decreased 11% from S\$2.9 million in 4Q2010 to S\$2.6 million in 4Q2011. Other credits/charges in 4Q2011 recorded a gain of S\$1.0 million as compared to a loss of S\$2.3 million in 4Q2010. This was due to an exchange gain resulting from the appreciation of the USD during 4Q2011.

Over the same period, UMS' net profit attributable to equity holders decreased by 37% to S\$5.7 million in 4Q2011 from S\$9.1 million in 4Q2010.

In FY2011, raw material and sub-contractor costs declined by 25% to S\$49.2 million from S\$66.0 million a year ago in line with reduced sales. Despite an increase in 4Q2011, personnel related costs remained stable at S\$12.8 million in FY2011 (FY2010: S\$12.8 million).

Other expenses in FY2011 increased by 8% to S\$11.5 million mainly as a result of higher professional fees paid out by the Company in relation to its aborted Korean dual listing program. Other Credits stood at S\$2.5 million for FY2011 on the back of a one-time gain on sale of properties of S\$3.5 million which was partially offset by a higher provision for inventory impairment.

Tax expense decreased significantly by 19% to S\$3.7 million in FY2011 from S\$4.5 million a year ago as a result of UMS' Penang factory obtaining pioneer tax incentive.

As a result of all the above, UMS reported a slightly lower net profit attributable to equity holders of S\$27.6 million in FY2011, representing a 4% decline from S\$28.7 million in FY2010.

Cashflow

UMS continued to generate positive operating cash flow of S\$5.8 million and free cash flow of S\$5.4 million in 4Q2011, compared to S\$13.1 million and S\$11.4 million respectively in 4Q2010. As such, UMS' cash conversion ratio (free cash flow as a percentage of net profit) stood at 95% for 4Q2011.

For FY2011, the Group generated a positive operating cash flow of S\$39.1 million and free cash flow of S\$31.6 million, as compared to S\$31.3 million and S\$23.7 million respectively in FY2010; registering a cash conversion ratio of 114%, thereby reflecting UMS' ability and efforts to generate good cash flow.

Correspondingly, as of 31 December 2011, UMS continued to be in a strong net cash position with cash and cash equivalents at S\$37.9 million, a 85% growth compared to that of S\$20.5 million as at 31 December 2010

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.

In FY2011, UMS continued to be profitable and demonstrated its cash generation ability despite experiencing a decline in its revenue. The relatively weaker revenue is in line with the recent trend of the global semiconductor industry cutting back on investment in the face of a longer than expected European crisis and global economic uncertainties.

Whilst the general outlook of the semiconductor industry is expected to be soft in 2012, the Group experienced a pick-up in business activity in 4Q2011 and customer order forecasts indicates that this momentum is likely to continue into the first 6 months of 2012.

The recently approved acquisition of Integrated Manufacturing Technologies (IMT) Group will also contribute to the profitability of the group in FY2012 while increasing the range of UMS' capabilities and giving UMS the necessary accreditation to serve more customers.

Given the above and barring unforeseen circumstances, UMS' Directors believe that FY2012 will remain profitable.

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)	1.0 cent 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	Cash
Dividend Amount (SGD)	2.0 cents per ordinary share, (tax exempt one-tier)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable	Not applicable

(c) Date payable

The proposed Final and Special Dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 22 May 2012.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 8 May 2012, for the purpose of determining members' entitlements to the Final Dividend of 2.0 cents per ordinary share and Special Dividend of 1.0 cent per ordinary (tax-exempt one-tier) for the financial year ending 31 December 2011.

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 7 May 2012 will be registered before entitlements to the Proposed Final 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 7 May 2012 will be entitled to the Proposed Final 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.

12 Months ended 31 December 2011		
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)	Aggregate value of all interested person transactions conducted during the financial period under review shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	S\$'000	S\$'000
Integrated Manufacturing Technologies Pte Ltd ("IMT-S")		
Sales of semi-conductor equipment components	60	27
Provision of human resource services, and rent and utilities	665	402
Subcontractor works involving welding and tube bending	4,868	2,312
Integrated Manufacturing Technologies Inc. ("IMT-USA")		
Sales of semi-conductor equipment components	28	-
Purchases of components, assemblies, consumables and spare:	233	-
Subcontractor works involving welding and tube bending	39	-

Note: Transactions above are with companies in which Luong Andy and Lee Luong Sylvia S Y have a direct and deemed equity interest.

The aggregate value of IPT entered into between the Group and IMT-S and IMT-USA for the financial year ended 31 December 2011 amounted to S\$8,634,000 which represented approximately 7.3% of the Group's latest audited net tangible assets as at 31 December 2010.

The shareholders have approved the IPT mandate via a shareholder meeting on 16 August 2011.

The nature of the interested person transactions between the Group and each of IMT-S and IMT-USA are set out in more detail in the Company's circular to Shareholders dated 25 July 2011 in respect of the IPT General Mandate.

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

14 Subsequent Event

On 1 February 2012, the shareholders of the Company approved the acquisition of IMT-S and IMT-USA for cash consideration of S\$19,803,374 and S\$8,196,626 respectively. The IMT-S acquisition was completed on 17 February 2012. The IMT-USA acquisition, which was a condition precedent to completion of the IMT-S acquisition, was completed on 14 February 2012.

- 15 **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>	
	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000	2011 S\$'000	2010 S\$'000
Group						
Total segment sales	13,150	13,848	135,250	137,678	148,400	151,526
Inter-segment sales	(5,970)	(3,996)	(28,003)	(18,497)	(33,973)	(22,493)
Sales to external parties	7,180	9,852	107,247	119,181	114,427	129,033
Adjusted EBITDA	4,133	1,109	37,878	44,543	42,011	45,652
Depreciation	3,272	3,595	7,300	8,295	10,572	11,890
Finance expense	193	396	18	109	211	505
Finance income	3	1	92	31	95	32
Total assets	22,263	33,932	361,116	365,477	383,379	399,409
Total assets includes:						
Additions to property, plant and equipment	-	6	7,481	4,638	7,481	4,644
Total liabilities	16,847	22,392	50,304	86,254	67,151	108,646

	Group	
	2011 S\$'000	2010 S\$'000
Adjusted EBITDA for reportable segments	42,011	45,652
Depreciation	(10,572)	(11,890)
Finance expense	(211)	(505)
Finance income	95	32
Profit before income tax	31,323	33,289

Geographical Segments

Group	Singapore		USA		Others		Total	
	2011	2010	2011	2010	2011	2010	2011	2010
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Total sales to external parties	69,344	69,800	27,666	39,015	17,417	20,218	114,427	129,033
Other geographical information:								
Non-current assets:								
Property, plant and equipment	23,401	32,999	-	-	36,094	32,502	59,495	65,501
Investment property	3,390	3,614	-	-	-	-	3,390	3,614
Goodwill	59,778	59,778	-	-	924	924	60,702	60,702
	<u>86,569</u>	<u>96,391</u>	<u>-</u>	<u>-</u>	<u>37,018</u>	<u>33,426</u>	<u>123,587</u>	<u>129,817</u>

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

	Group	
	2011	2010
	S\$'000	S\$'000
Total asset for reportable segments from continued operations	383,379	394,993
Unallocated assets	-	4,416
Elimination of inter-segment receivables	(173,143)	(186,144)
Total assets	<u>210,236</u>	<u>213,265</u>

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

	Group	
	2011	2010
	S\$'000	S\$'000
Total liabilities for reportable segments from continued	67,151	108,646
Elimination of inter-segment payables	(42,345)	(74,312)
Total liabilities	<u>24,806</u>	<u>34,334</u>

16 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.

17 A breakdown of sales as follows:

	2011	Group		Change
		2010	Change	
	S\$'000	S\$'000	%	
(a) Sales reported for first half	67,621	60,008	13%	
(b) Operating profit after tax before deducting minority interests reported for first half year	14,584	12,102	21%	
(c) Sales reported for second year	46,806	69,025	-32%	
(d) Operating profit after tax before deducting minority interests reported for second half year	13,056	16,643	-22%	

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

	2011	2010
Ordinary	S\$'000	S\$'000
Interim Dividend	10,313	6,875
Proposed Final Dividend	6,875	6,875
Proposed Special Dividend	3,438	3,438
Total	20,626	17,188

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

19 **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.**

Pursuant to Rule 704 (13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company who is a relative of the director, chief executive officer or substantial shareholder of the Company.

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 2012