

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 2015

	Group					
	4Q			Full Year Ended		
	31-Dec-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	21,884	22,050	-1%	111,090	109,819	1%
Net finance income (Note (a))	56	27	107%	128	56	129%
Changes in inventories	2,467	(1,599)	N.M	4,034	(3,866)	N.M
Raw material purchases and subcontractor charges	(7,762)	(8,663)	-10%	(48,216)	(46,389)	4%
Employee benefits expense	(2,825)	(2,866)	-1%	(13,517)	(12,222)	11%
Depreciation expense	(1,641)	(1,905)	-14%	(7,425)	(7,741)	-4%
Other expenses (Note (b))	(2,618)	(3,073)	-15%	(11,838)	(12,260)	-3%
Other credits (Note (c))	109	62	76%	2,509	307	717%
Profit before income tax	9,670	4,033	140%	36,765	27,704	33%
Income tax expense (Note (d))	291	(356)	N.M	(2,466)	(2,775)	-11%
Net profit for the period from continuing operations	9,961	3,677	171%	34,299	24,929	38%
Attributable to:						
Equity holders of the Company	9,961	3,677	171%	34,299	24,929	38%
Minority interests	-	-	N.M	-	-	N.M
	9,961	3,677	171%	34,299	24,929	38%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income

	Group					
	4Q			Full Year Ended		
	31-Dec-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Interest income from cash and cash equivalents	46	16	188%	118	63	87%
Unwinding discount on long-term provision	10	11	N.M	10	11	N.M
Interest expense from bank borrowings	-	-	N.M	-	(18)	-100%
Net finance income	56	27	107%	128	56	129%

Note (b) Other expenses

	Group					
	4Q			Full Year Ended		
	31-Dec-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Legal and professional fees (Note (i))	(362)	(312)	16%	(1,245)	(1,225)	2%
Rental expense of premises- operating leases	(296)	(345)	-14%	(1,414)	(1,403)	1%
Other rental expenses	(39)	(33)	18%	(142)	(151)	-6%
Utilities (Note (iii))	(579)	(946)	-39%	(2,955)	(3,837)	-23%
Freight charges	(111)	(124)	-10%	(532)	(614)	-13%
Insurance	(109)	(148)	-26%	(534)	(502)	6%
Upkeep of properties and equipment (Note (ii))	20	(42)	N.M	(736)	(210)	250%
Upkeep of machinery	(706)	(686)	3%	(2,622)	(2,544)	3%
Others	(436)	(437)	0%	(1,658)	(1,774)	-7%
	(2,618)	(3,073)	-15%	(11,838)	(12,260)	-3%

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 in upkeep of properties and equipment by S\$0.5M for the year was mainly due to building reinstatement for 25 Changi North Rise. The lease of this property expires in Nov 2015.

Note 1 (a)(b)(iii) – The decrease in utilities by S\$0.9M for the year was mainly due to lower average electricity tariff rates as compared to last year and partly contributed by the transfer of more production activities from Singapore to Penang.

Note (c) Other credits

	Group					
	4Q			Full Year Ended		
	31-Dec-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange (loss)/ gain (Note (i))	(130)	503	-126%	2,893	533	443%
Write back/ (allowance) for doubtful trade debts	36	(33)	-209%	36	(33)	-209%
Bad debts written off - trade	-	(9)	-100%	-	(9)	-100%
Allowance for doubtful non-trade debts (Note (ii))	-	-	N.M	(308)	-	N.M
Gain on disposal of property, plant and equipment	6	-	N.M	20	40	-50%
Property, plant & equipment written off	-	(274)	-100%	(213)	(276)	-23%
Inventories written off	(195)	-	N.M	(438)	-	N.M
Allowance for inventories obsolescence	(509)	(131)	289%	(642)	(26)	2369%
Write back of allowance for inventories obsolescence	798	-	N.M	1,017	-	N.M
Others	103	6	1617%	144	78	85%
	109	62	76%	2,509	307	717%

Note 1(a)(c)(i) - The exchange loss was due to the depreciation of the US dollar during 4Q2015.

Note 1(a)(c)(ii) - The provision made for other receivables relates to payment for a project.

Note (d) Income tax

	Group					
	4Q			Full Year Ended		
	31-Dec-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	(74)	(663)	-89%	(2,831)	(3,082)	-8%
- Deferred tax	365	307	19%	365	307	19%
	291	(356)	N.M	(2,466)	(2,775)	-11%

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 2015 S\$'000	31 Dec 2014 S\$'000	31 Dec 2015 S\$'000	31 Dec 2014 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	38,933	33,792	223	357
Trade receivables and other current assets	12,420	12,850	4,226	3,740
Inventories (Note (iii))	37,361	33,327	-	-
Total Current Assets	88,714	79,969	4,449	4,097
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	192,415	192,415
Property, plant and equipment	34,808	41,725	-	-
Investment property	2,410	2,629	-	-
Goodwill	81,683	81,683	-	-
Total Non-Current Assets	118,901	126,037	192,415	192,415
Total Assets	207,615	206,006	196,864	196,512
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	9,760	11,061	7,981	7,043
Income tax payable	1,975	2,357	21	-
Total Current Liabilities	11,735	13,418	8,002	7,043
Non Current Liabilities				
Deferred tax liabilities	972	1,337	-	-
Long-term provision *	443	453	-	-
Total Non-Current Liabilities	1,415	1,790	-	-
Total Liabilities	13,150	15,208	8,002	7,043
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Reserves	(9,146)	(4,263)	-	-
Retained earnings	66,988	58,438	52,239	52,846
Total Equity	194,465	190,798	188,862	189,469
Total Liabilities and Equity	207,615	206,006	196,864	196,512

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 December 2015 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31-Dec-2015	31-Dec-2014	31-Dec-2015	31-Dec-2014
	%	%	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
Unquoted equity shares, at cost			216,213	216,213
Less: Provision for impairment			(23,798)	(23,798)
			192,415	192,415
<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 increase in cash and cash equivalents by S\$5.1 million was mainly due to net cash generated from operation activities partially offset by dividend payments made during the period.

Note 1(b)(i)(iii)– The increase in inventories by S\$4.0 million was mainly due to higher inventory produced to meet customer orders in the coming quarters.

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

Not applicable.

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-15 S\$'000	31-Dec-14 S\$'000	31-Dec-15 S\$'000	31-Dec-14 S\$'000
Cash flows from operating activities				
Profit before income tax	9,670	4,033	36,765	27,704
Adjustments for:				
Depreciation expense	1,641	1,905	7,425	7,741
Bad debts written off- trade	-	9	-	9
Allowance for doubtful non- trade debts (Write back)/ allowance for doubtful trade debts	-	-	308	-
	(36)	33	(36)	33
Allowance for inventories obsolescence	509	131	642	26
Inventories written off	195	-	438	-
Write back of allowance for inventories obsolescence	(798)	-	(1,017)	-
Property, plant and equipment written off	-	274	213	276
Unwinding discount on long-term provision	(10)	(11)	(10)	(11)
Gain on disposal of property, plant and equipment	(6)	-	(20)	(40)
Interest income	(46)	(16)	(118)	(63)
Interest expense	-	-	-	18
Unrealised foreign exchange loss/ (gain)	405	(356)	(1,125)	(126)
Operating cash flows before working capital changes	11,524	6,002	43,465	35,567
Changes in working capital:				
Trade receivables and other current assets	4,458	1,904	(380)	8,055
Inventories	(3,375)	1,561	(4,120)	3,794
Trade and other payables	(709)	799	(427)	(7,845)
Cash generated from operations	11,898	10,266	38,538	39,571
Income tax paid	(155)	(12)	(2,766)	(3,962)
Net cash generated from operating activities	11,743	10,254	35,772	35,609
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	6	-	20	40
Purchase of property, plant and equipment	(2,931)	(1,232)	(4,478)	(6,689)
Interest received	46	16	118	63
Net cash used in investing activities	(2,879)	(1,216)	(4,340)	(6,586)
Cash flows from financing activities				
Proceeds from bank borrowings	-	-	-	6,268
Repayment of bank borrowings	-	-	-	(6,268)
Dividends paid	(8,583)	(8,583)	(25,749)	(24,906)
(Placement)/ withdrawal of fixed deposit - restricted	-	(2)	247	(8)
Interest paid	-	-	-	(18)
Net cash used in financing activities	(8,583)	(8,585)	(25,502)	(24,932)
Net effect of exchange rate changes	397	397	(540)	462
Net increase in cash and cash equivalents	678	850	5,390	4,553
Cash and cash equivalents at beginning of the period	38,255	32,693	33,543	28,990
Cash and cash equivalents at end of the period	38,933	33,543	38,933	33,543
Fixed deposit - restricted in use			-	249
Cash and cash equivalents in the Balance Sheet			38,933	33,792

- 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-15	31-Dec-14	Change	31-Dec-15	31-Dec-14	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Net Profit for the period	9,961	3,677	171%	34,299	24,929	38%
Other comprehensive income, net of income tax:						
<i>Items that may be classified subsequently to profit and loss:</i>						
Exchange differences on translation of foreign operations	748	(693)	N.M	(4,883)	(356)	1272%
Total comprehensive income for the period	10,709	2,984	259%	29,416	24,573	20%
Attributable to:						
Equity holders of the Company	10,709	2,984	259%	29,416	24,573	20%
Minority interests	-	-	N.M	-	-	N.M

The exchange loss on translation of foreign operations was mainly due to the depreciation of the Malaysian Ringgit.

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
Group				
Balance at 1 January 2014	136,623	(3,907)	58,415	191,131
Changes in equity for first quarter				
Net profit for the period	-	-	8,558	8,558
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	49	-	49
Total comprehensive income for the quarter	-	49	8,558	8,607
Balance at 31 March 2014	136,623	(3,858)	66,973	199,738
Changes in equity for second quarter				
Net profit for the period	-	-	7,229	7,229
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	147	-	147
Total comprehensive income for the quarter	-	147	7,229	7,376
Dividend paid	-	-	(12,031)	(12,031)
As at 30 June 2014	136,623	(3,711)	62,171	195,083
Changes in equity for third quarter				
Net profit for the period	-	-	5,465	5,465
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	141	-	141
Total comprehensive income for the quarter	-	141	5,465	5,606
Dividend paid	-	-	(4,292)	(4,292)
As at 30 September 2014	136,623	(3,570)	63,344	196,397
Changes in equity for fourth quarter				
Net profit for the period	-	-	3,677	3,677
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(693)	-	(693)
Total comprehensive income for the quarter	-	(693)	3,677	2,984
Dividend paid	-	-	(8,583)	(8,583)
As at 31 December 2014	136,623	(4,263)	58,438	190,798

Group	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
Balance at 1 January 2015	136,623	(4,263)	58,438	190,798
Changes in equity for first quarter				
Net profit for the period	-	-	7,541	7,541
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(490)	-	(490)
Total comprehensive income for the quarter	-	(490)	7,541	7,051
Balance at 31 March 2015	<u>136,623</u>	<u>(4,753)</u>	<u>65,979</u>	<u>197,849</u>
Changes in equity for second quarter				
Net profit for the period	-	-	8,266	8,266
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(1,303)	-	(1,303)
Total comprehensive income for the quarter	-	(1,303)	8,266	6,963
Dividend paid	-	-	(12,874)	(12,874)
As at 30 June 2015	<u>136,623</u>	<u>(6,056)</u>	<u>61,371</u>	<u>191,938</u>
Changes in equity for third quarter				
Net profit for the period	-	-	8,531	8,531
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	(3,838)	-	(3,838)
Total comprehensive income for the quarter	-	(3,838)	8,531	4,693
Dividend paid	-	-	(4,292)	(4,292)
As at 30 September 2015	<u>136,623</u>	<u>(9,894)</u>	<u>65,610</u>	<u>192,339</u>
Changes in equity for fourth quarter				
Net profit for the period	-	-	9,961	9,961
Other comprehensive income for the period	-	748	-	748
Total comprehensive income for the quarter	-	748	9,961	10,709
Dividend paid	-	-	(8,583)	(8,583)
As at 31 December 2015	<u>136,623</u>	<u>(9,146)</u>	<u>66,988</u>	<u>194,465</u>

Company	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Balance at 1 January 2014	136,623	-	58,983	195,606
Changes in equity for first quarter				
Net loss for the period	-	-	(705)	(705)
Total comprehensive expenses for the quarter	-	-	(705)	(705)
Balance at 31 March 2014	136,623	-	58,278	194,901
Changes in equity for second quarter				
Net profit for the period	-	-	1,559	1,559
Total comprehensive income for the quarter	-	-	1,559	1,559
Dividend paid	-	-	(12,031)	(12,031)
As at 30 June 2014	136,623	-	47,806	184,429
Changes in equity for third quarter				
Net profit for the period	-	-	8,351	8,351
Total comprehensive income for the quarter	-	-	8,351	8,351
Dividend paid	-	-	(4,292)	(4,292)
As at 30 September 2014	136,623	-	51,865	188,488
Changes in equity for forth quarter				
Net profit for the period	-	-	9,564	9,564
Total comprehensive expenses for the quarter	-	-	9,564	9,564
Dividend paid	-	-	(8,583)	(8,583)
As at 31 December 2014	136,623	-	52,846	189,469

Company	Share Capital S\$'000	Capital Reserve S\$'000	Retained Earnings S\$'000	Total equity attributable to equity of holders of the Company S\$'000
Balance at 1 January 2015	136,623	-	52,846	189,469
Changes in equity for first quarter				
Net loss for the period	-	-	(614)	(614)
Total comprehensive expenses for the quarter	-	-	(614)	(614)
Balance at 31 March 2015	136,623	-	52,232	188,855
Changes in equity for second quarter				
Net loss for the period	-	-	(608)	(608)
Total comprehensive income for the quarter	-	-	(608)	(608)
Dividend paid	-	-	(12,874)	(12,874)
As at 30 June 2015	136,623	-	38,750	175,373
Changes in equity for third quarter				
Net profit for the period	-	-	13,380	13,380
Total comprehensive income for the quarter	-	-	13,380	13,380
Dividend paid	-	-	(4,292)	(4,292)
As at 30 September 2015	136,623	-	47,838	184,461
Changes in equity for forth quarter				
Net profit for the period	-	-	12,984	12,984
Total comprehensive expenses for the quarter	-	-	12,984	12,984
Dividend paid	-	-	(8,583)	(8,583)
As at 31 December 2015	136,623	-	52,239	188,862

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 2014 to 31 December 2015.

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 2015 was 429,143,947 (31 December 2014: 429,143,947).

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 2014 and 31 December 2015.

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 2014.

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 1 January 2015.

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.

	Group			
	4Q	Full Year Ended		
	31-Dec-15	31-Dec-14	31-Dec-15	31-Dec-14
Earnings per ordinary share of the Group based on net profit attributable to owners of the company:-				
(a) Based on the weighted average number of ordinary shares on issue	2.32 cents	0.86 cents	7.99 cents	5.81 cents
- Weighted average number of shares	429,143,947	429,143,947	429,143,947	429,143,947
(b) On a fully diluted basis	2.32 cents	0.86 cents	7.99 cents	5.81 cents
- Weighted average number of shares	429,143,947	429,143,947	429,143,947	429,143,947

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-15	31-Dec-14	31-Dec-15	31-Dec-14
Net asset per ordinary share based on existing issued share capital as at end of period reported on	45.31 cents	44.46 cents	44.01 cents	44.15 cents

The net asset per outstanding ordinary share as at both the current and the previous financial year have been calculated based on 429,143,947 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 2015 Vs 2014**

	Group		
	Full Year Ended		
	31-Dec-15 S\$'000	31-Dec-14 S\$'000	Change %
Business Segments			
Semiconductor (Semicon)	110,126	109,100	1%
Others	964	719	34%
	111,090	109,819	1%
Geographical Regions			
Singapore	54,603	60,433	-10%
United States of America ('US')	26,585	22,619	18%
Malaysia	1,597	2,849	-44%
Others	28,305	23,918	18%
	111,090	109,819	1%

**Revenue
4Q2015 Vs 4Q2014**

	Group		
	3 Months Ended		
	31-Dec-15 S\$'000	31-Dec-14 S\$'000	Change %
Business Segments			
Semiconductor (Semicon)	21,488	21,920	-2%
Others	396	130	205%
	21,884	22,050	-1%
Geographical Regions			
Singapore	9,855	11,970	-18%
United States of America ('US')	4,307	5,347	-19%
Malaysia	401	250	60%
Others	7,321	4,483	63%
	21,884	22,050	-1%

Revenue

For the three months ended 31 December 2015 ("4Q2015"), the Group's revenue remained relatively flat at S\$21.9 million as compared to S\$22.1 million for the corresponding period a year ago ("4Q2014"). Sequentially, the Group's revenue declined 29% from S\$30.7 million in the three months ended 30 September 2015 ("3Q2015"). This is in line with the Group's previous quarter announcement which highlighted a slower 4Q2015 as there had been a decline in orders from its major customer amidst weaker global economy.

Singapore contributed S\$9.9 million in 4Q2015, making it the largest geographical market of the Group. This was an 18% decline from S\$12.0 million in 4Q2014, mainly due to lower semiconductor integrated system sales. Revenue from the United States of America ("US") decreased 19% from S\$5.3 million in 4Q2014 to S\$4.3 million in 4Q2015 mainly due to lower component sales for new systems built. Over the same period, the Others region saw a 63% growth to S\$7.3 million due to higher consumables component sales, while revenue contribution from the Malaysia region increased to S\$0.4 million in 4Q2015.

For the full year ended 31 December 2015 ("FY2015"), UMS' revenue stood at S\$111.1 million, as compared to S\$109.8 million in the previous financial year ("FY2014"). The Singapore region declined 10% to S\$54.6 million while the US and Others regions both grew 18% each in FY2015 to S\$26.6 million and S\$28.3 million respectively. Revenue from the Malaysia region decreased 44% from S\$2.8 million in FY2014 to S\$1.6 million in FY2015.

Profitability

4Q2015

The Group's gross material margin in 4Q2015 jumped to 76%, mainly due to favorable USD exchange rate as compared to 4Q2014 and higher component sales that enjoyed higher margins.

Employee benefits expense for the quarter under review maintained at S\$2.8 million while depreciation expense decreased 14% from S\$1.9 million in 4Q2014 to S\$1.6 million in 4Q2015 as a result of some fixed assets being fully depreciated.

The Group had transferred substantial amount of production activities to its Penang plant and vacated most of its leased space in 25 Changi North Rise, Changi North Industrial Estate in November 2015. This had allowed the Group to achieve cost savings in terms of lower energy costs and rental expense, contributing to the reduction of other expenses by 15% from S\$3.1 million in 4Q2014 to S\$2.6 million in 4Q2015.

Other credits in 4Q2015 stood at S\$0.1 million (4Q2014: S\$0.1 million). Please refer to note 1(c) for more details.

In 4Q2015, the Group had registered a tax credit of S\$0.3 million as compared to a tax expense of S\$0.4 million in 4Q2014. This was due to lower tax provisions in Singapore resulting from higher Productivity and Innovation Credit Scheme claims associated with a Singapore subsidiary as well as a write back of overprovisions in the Group's US subsidiary for the quarter.

Due to the above mentioned reasons, the Group's net profit after tax increased 171% from S\$3.7 million in 4Q2014 to S\$10.0 million in 4Q2015.

FY2015

In FY2015, the Group's gross material margin stood at 60%, a 6 percentage points increase from 54% in FY2014. This was mainly due to favorable USD exchange rate as compared to last year, higher component sales and lower raw material prices.

Employee benefits expense increased 11% to S\$13.5 million in FY2015, while depreciation expense and Other expenses declined 4% and 3% to S\$7.4 million and S\$11.8 million respectively. Other credits grew from S\$0.3 million in FY2014 to S\$2.5 million in FY2015.

Summarily, the Group's net profit after tax in FY2015 increased 38% to a record high of S\$34.3 million, making FY2015 the Group's most profitable financial year to date.

Cashflow

Keeping up with the Group's excellent track record of good cash flow generation ability, UMS' operating cash flow for 4Q2015 grew 15% to S\$11.7 million from S\$10.3 million in 4Q2014, while free cash flow generated for the same period was relatively flat at S\$8.8 million.

In FY2015, the Group recorded operating cash flow and free cash flow of S\$35.8 million and S\$31.3 million respectively. As at 31 December 2015, the Group had no bank borrowings and had amassed an all-time record net cash and cash equivalents of S\$38.9 million, despite an S\$8.6 million dividend payout in 4Q2015.

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 3Q2015 results announcement made on 9 November 2015. Amongst others, the Group had commented that the Group will be profitable in 2H2015.

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 slower orders in the last quarter of FY2015 is expected to continue into the first half of FY2016, in line with the slowdown in global economy and the Group expects business activities in 1H2016 to be subdued.

On the other hand, the Group's major customer had forecasted global foundry investment levels to be slightly higher in 2016 with the bulk of spending in the second half of the year. Additionally, SEMI, a leading global semiconductor trade association, had expected global semiconductor equipment sales to grow, albeit nominally at 1.4% in 2016¹.

As announced on 27 Jan 2016, UMS had embarked on its diversification strategy by investing into a Malaysia aerospace manufacturer. It will be a long term investment with significant growth potential into the regional aerospace industry. The investment amount as well as subsequent performance of this investment will not have any material impact to the Group's financial performance in the next 12 months.

Barring unforeseen circumstances, the Board of Directors remains cautiously optimistic that FY2016 will be a profitable year for the Group.

Footnote:

¹Refer to <http://www.semi.org/en/node/60181>

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 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	Cash
Dividend Amount (SGD)	2.0 cents per ordinary share, (tax exempt one-tier)	1.0 cents per ordinary share, (tax exempt one-tier)
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 30 May 2016.

(d) Books closure date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 10 May 2016, 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 share (tax-exempt one-tier) for the financial year ended 31 December 2015.

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 9 May 2016 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 9 May 2016 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.

	Full Year Ended 31 December 2015
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) S\$'000
Sure Achieve Enterprises Pte Ltd (Note 1) Consultancy Services charges	800
Kalf Engineering Pte Ltd (Note 2) Factory rental Progress payment for water system upgrade	(9) 298

Note 1: Transaction above is with Sure Achieve Enterprises Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and is the wife of the CEO, Mr. Andy Luong. Sure Achieve Enterprises Pte Ltd provides sales consultancy services to the Group.

The aggregate value of IPT entered into between the Group and Sure Achieve Enterprises Pte Ltd for the year ended 31 December 2015 amounted to S\$800,000 which represented approximately 0.6% of the Group's latest audited net tangible assets as at 31 December 2014.

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.

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>Semiconductor</u>		<u>Others</u>		<u>Total for continuing operations</u>	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Group						
Total segment sales	157,657	150,550	964	719	158,621	151,269
Inter-segment sales	(47,531)	(41,450)	-	-	(47,531)	(41,450)
Sales to external parties	110,126	109,100	964	719	111,090	109,819
Segment results	36,319	27,505	446	199	36,765	27,704
Material non-cash items include:						
Inventory written off	242	-	196	-	438	-
Allowance of inventories	642	-	-	-	642	-
Write back of allowance of inventories obsolescence	(821)	26	(196)	-	(1,017)	26
Total assets	350,890	343,148	101	1,823	350,991	344,971
Total assets includes:						
Additions to property, plant and equipment	4,478	6,689	-	-	4,478	6,689
Total liabilities	33,782	33,098	-	-	33,782	33,098

	Group	
	2015 S\$'000	2014 S\$'000
Adjusted EBITDA for reportable	44,062	35,389
Depreciation	(7,425)	(7,741)
Finance expense	-	(18)
Finance income	128	74
Profit before income tax	36,765	27,704

Geographical Segments

	Singapore		USA		Malaysia		Others		Total	
	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000	2015 S\$'000	2014 S\$'000
Group										
Total sales to external parties	54,603	60,433	26,585	22,619	1,597	2,849	28,305	23,918	111,090	109,819
Other geographical information:										
Non-current assets:										
Property, plant and equipment	7,908	9,339	112	199	26,788	32,187	-	-	34,808	41,725
Investment property	2,410	2,629	-	-	-	-	-	-	2,410	2,629
Goodwill	80,759	80,759	-	-	924	924	-	-	81,683	81,683
	<u>91,077</u>	<u>92,727</u>	<u>112</u>	<u>199</u>	<u>27,712</u>	<u>33,111</u>	<u>-</u>	<u>-</u>	<u>118,901</u>	<u>126,037</u>

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

	Group	
	2015 S\$'000	2014 S\$'000
Total asset for reportable segments from continued operations	350,991	344,971
Elimination of inter-segment receivables	(143,376)	(138,965)
Total assets	<u>207,615</u>	<u>206,006</u>

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

	Group	
	2015 S\$'000	2014 S\$'000
Total liabilities for reportable segments from continued operations	33,782	33,098
Elimination of inter-segment payables	(20,632)	(17,890)
Total liabilities	<u>13,150</u>	<u>15,208</u>

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		
	2015 S\$'000	2014 S\$'000	Change %
(a) Sales reported for first half	58,510	62,998	-7%
(b) Operating profit after tax before deducting minority interests reported for first half year	15,807	15,787	0%
(c) Sales reported for second year	52,580	46,821	12%
(d) Operating profit after tax before deducting minority interests reported for second half year	18,492	9,142	102%

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

	2015	2014
	S\$'000	S\$'000
Ordinary		
Interim Dividend	12,875	12,875
Final Dividend	8,583	8,583
Special Dividend	4,291	4,291
Total	25,749	25,749

The Final Dividend and Special Dividend for FY2014 were approved at the Annual General Meeting of the Company on 30 April 2015 and paid on 28 May 2015. The proposed Final Dividend and Special Dividend for FY2015, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 30 May 2016.

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	55	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	55	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.	None

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
29 February 2016