

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 2020

	Group					
	4Q			Full Year Ended		
	31-Dec-20 S\$'000	31-Dec-19 S\$'000	Change %	31-Dec-20 S\$'000	31-Dec-19 S\$'000	Change %
Revenue	44,094	40,405	9%	164,438	131,912	25%
Net finance expense (Note (a))	(137)	(102)	34%	(397)	(633)	-37%
Changes in inventories	1,864	(6,199)	N.M	2,192	(18,692)	N.M
Raw material purchases and subcontractor charges	(22,387)	(13,561)	65%	(79,046)	(43,390)	82%
Employee benefits expense	(5,935)	(4,064)	46%	(19,362)	(15,905)	22%
Depreciation expense (Note (b))	(2,017)	(1,712)	18%	(7,701)	(6,874)	12%
Other expenses (Note (c))	(3,073)	(3,258)	-6%	(11,500)	(10,884)	6%
Other charges (Note (d))	(9,696)	(2,519)	285%	(9,819)	(2,653)	270%
Share of (loss)/ profits of associate	(2,065)	635	N.M	89	2,574	-97%
Profit before income tax	648	9,625	-93%	38,894	35,455	10%
Income tax expense (Note (e))	392	(299)	N.M	(2,601)	(2,241)	16%
Net profit for the period from continuing operations	1,040	9,326	-89%	36,293	33,214	9%
Profit attributable to:						
Owners of the parent	1,260	9,244	-86%	36,471	33,556	9%
Non- controlling interest	(220)	82	N.M	(178)	(342)	-48%
	1,040	9,326	-89%	36,293	33,214	9%

N.M - Not meaningful

NOTES TO INCOME STATEMENT

Note (a) Net finance income/ (expense)

	Group					
	4Q			Full Year Ended		
	31-Dec-20	31-Dec-19	Change	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Interest income from cash and cash equivalents	33	54	-39%	200	331	-40%
Interest expense on lease liabilities	(59)	(53)	11%	(217)	(215)	1%
Interest expense from bank borrowings (Note (i))	(42)	(34)	24%	(106)	(476)	-78%
Interest expense from loans from related parties	(69)	(69)	0%	(274)	(273)	0%
Net finance expense	(137)	(102)	34%	(397)	(633)	-37%

Note 1 (a)(a)(i) – The increase in net finance expense during the quarter was mainly due to higher short term borrowings. Net finance expense for the full year decrease mainly because of short term borrowings taken in FY2019 to satisfy certain financial condition required for its general offer of JEP Holdings Ltd.

Note (b) Depreciation expense

The increase in depreciation was mainly due to new machinery and additional factory space acquired by Starke Singapore.

Note (c) Other expenses

	Group					
	4Q			Full Year Ended		
	31-Dec-20	31-Dec-19	Change	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Legal and professional fees (Note (i))	(660)	(778)	-15%	(2,311)	(2,312)	0%
Utilities	(976)	(899)	9%	(3,705)	(3,478)	7%
Freight charges (Note (ii))	(209)	(186)	12%	(858)	(551)	56%
Insurance	(94)	(94)	0%	(416)	(401)	4%
Upkeep of properties and equipment	(77)	(49)	57%	(503)	(439)	15%
Upkeep of machinery	(566)	(681)	-17%	(1,947)	(1,802)	8%
Others	(491)	(571)	-14%	(1,760)	(1,901)	-7%
	(3,073)	(3,258)	-6%	(11,500)	(10,884)	6%

Note 1(a)(c)(i) – Professional fees relates mainly to amounts payable to the Group's sales consultant. Refer to note 13.

Note 1(a)(c)(ii) – The increase was mainly due higher material purchases and freight rates during the period.

Note (d) Other credits/ (charges)

	Group					
	4Q			Full Year Ended		
	31-Dec-20	31-Dec-19	Change	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Foreign exchange losses - net (Note (i))	(1,762)	(659)	167%	(2,058)	(349)	490%
Loss allowance for non-trade debts (Note (ii))	(372)	-	N.M	(372)	-	N.M
Bad debts written off non-trade	-	-	N.M	-	(8)	-100%
Bad debts written off trade	(16)	-	N.M	(16)	-	N.M
Impairment of goodwill (Note (iii))	(1,127)	(990)	14%	(1,127)	(990)	14%
Impairment of investment in associate (Note (iv))	(5,900)	-	N.M	(5,900)	-	N.M
(Loss)/ gain on disposal of property, plant and equipment	(274)	200	N.M	(89)	264	N.M
Property, plant & equipment written off	(61)	-	N.M	(61)	(32)	91%
Allowance for inventories obsolescence	(291)	(1,088)	-73%	(972)	(1,611)	-40%
Others (Note (v))	107	18	494%	776	73	963%
	(9,696)	(2,519)	285%	(9,819)	(2,653)	270%

Note 1(a)(d)(i) – The exchange loss in 4QFY2020 was mainly due to the depreciation of the US dollar during the period.

Note 1(a)(d)(ii) – This relates to provision for uncollectible debts at Allstar Manufacturing Sdn Bhd (“Allstar”). The Group invested in Allstar to make inroads into the Malaysia and regional aerospace manufacturing industry.

Note 1(a)(d)(iii) – This relates to impairment on the goodwill arising from the acquisition of Kalf Engineering Pte Ltd.

Note 1(a)(d)(iv) – This relates to impairment on its investment in JEP Holdings Ltd. This impairment is an accounting treatment to present the recoverable amount which resulted in an impairment loss of S\$5.9 million in the profit or loss in accordance with SFRS(I) 1-36.

Note 1(a)(d)(v) – The increase was mainly due to cash grant received from the Singapore Government under the Jobs Support Scheme during the period.

Note (e) Income tax

	Group					
	4Q			Full Year Ended		
	31-Dec-20	31-Dec-19	Change	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Income tax:						
- Current	392	(332)	N.M	(2,601)	(2,288)	14%
- Prior years	-	33	-100%	-	47	-100%
	392	(299)	N.M	(2,601)	(2,241)	16%

Note 1(a)(e) - The increase in current income tax was due to higher profits during the year.

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 2020 S\$'000	31 Dec 2019 S\$'000	31 Dec 2020 S\$'000	31 Dec 2019 S\$'000
ASSETS				
Current Assets				
Cash and bank balances (Note (ii))	53,787	34,364	438	178
Trade receivables and other current assets (Note (iii))	23,477	22,072	14,863	5,602
Loan to subsidiary	-	-	7,274	3,791
Inventories	53,938	51,746	-	-
Total Current Assets	131,202	108,182	22,575	9,571
Non-Current Assets				
Investment in subsidiaries (Note (i))	-	-	192,448	201,306
Property, plant and equipment	56,318	52,307	-	-
Right-of-use assets	4,755	4,237	-	-
Investment property	1,748	1,832	-	-
Investment in associate (Note (iv))	35,360	39,397	35,360	36,298
Goodwill	80,083	81,211	-	-
Deferred tax assets	71	47	-	-
Total Non-Current Assets	178,335	179,031	227,808	237,604
Total Assets	309,537	287,213	250,383	247,175
LIABILITIES AND EQUITY				
Current Liabilities				
Bank borrowings (Note 1(b)(ii))	15,710	9,334	-	-
Trade and other payables (Note (v))	25,356	18,760	30,937	37,691
Loan from related parties (Note (vi))	1,403	1,403	-	-
Lease liabilities	259	262	-	-
Income tax payable	3,456	2,754	26	58
Total Current Liabilities	46,184	32,513	30,963	37,749
Non Current Liabilities				
Loan from related parties (Note (vi))	3,835	3,626	-	-
Deferred tax liabilities	1,908	2,127	-	-
Long-term provision*	405	405	-	-
Lease liabilities	4,256	3,656	-	-
Total Non-Current Liabilities	10,404	9,814	-	-
Total Liabilities	56,588	42,327	30,963	37,749
Capital and Reserves				
Share Capital	136,623	136,623	136,623	136,623
Treasury shares	(1,919)	-	(1,919)	-
Reserves	(10,683)	(10,823)	-	-
Retained earnings	127,265	117,465	84,716	72,803
	251,286	243,265	219,420	209,426
Non-controlling interest	1,663	1,621	-	-
Total Equity	252,949	244,886	219,420	209,426
Total Liabilities and Equity	309,537	287,213	250,383	247,175

* Provision for reinstatement of leased premises.

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

The details of the subsidiaries as at 31 December 2020 are as follows:

Name	Effective percentage of equity held by the group		Company's cost of investment	
	31 Dec-2020	31-Dec-2019	31-Dec-2020	31-Dec-2019
	%	%	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	-	8,196
Ultimate Machining Solutions (M) Sdn. Bhd. (Malaysia)	100	100	30,772	30,772
Kalf Engineering Pte Ltd (Singapore)	51	51	990	990
Starke Singapore Pte Ltd (Singapore)	70	70	7,076	7,076
Ultimate Mechanical System Sdn. Bhd. (Malaysia)	100	100	1,153	825
Unquoted equity shares, at cost			217,236	225,104
Less: Provision for impairment			(24,788)	(23,798)
			<u>192,448</u>	<u>201,306</u>
<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 Kalf Engineering Pte. Ltd.</u>				
浙江凯富环境治理工程有限公司 (People's Republic of China)	100	100		
<u>Held through Starke Singapore Pte Ltd</u>				
Starke Asia Sdn. Bhd. (Malaysia)	100	100		
<u>Held through Ultimate Machining Solutions (M) Sdn. Bhd.</u>				
AllStar Manufacturing Sdn. Bhd. (Malaysia)	100	100		
<u>Held through UMS Aerospace Pte Ltd</u>				
Integrated Manufacturing Technologies Inc. (United States)	100	-		

Note 1(b)(i)(ii) – The net increase in cash and cash equivalents by S\$13.0 million (after netting-off short-term borrowing) was mainly due to net cash generated from operating activities, partially offset by S\$1.8 million investment in JEP Holdings Ltd, S\$1.9 million in UMS share buy back, and S\$26.7 million dividend payments made during the year.

Note 1(b)(i)(iii) – Trade receivables and other current assets increased by S\$1.4 million, which were mainly due to higher sales made in the month of December 2020.

Note 1(b)(i)(iv) – Investment in associates relate to the Group's 40.69% equity interest investment in JEP Holdings Ltd. The Group has recognised its share of profit of JEP Holdings Ltd for the year. The decrease in investment in associate was mainly due to the S\$5.9 million impairment recorded during the quarter.

Note 1(b)(i)(v) – Trade and other payables increased by S\$6.6 million, which were mainly due to higher purchase made during the year.

Note 1(b)(i)(vi) – The current loan from related parties relates to amount owing to minority shareholders of Starke Singapore Pte Ltd and the non-current loan from related parties relates to loan from Full City Investments Ltd. Refer to note 13.

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 2020			As at 31 Dec 2019		
Secured	Unsecured	Total	Secured	Unsecured	Total
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
-	15,710	15,710	-	9,334	9,334

Details of any collateral

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-20 S\$'000	31-Dec-19 S\$'000	31-Dec-20 S\$'000	31-Dec-19 S\$'000
Cash flows from operating activities				
Profit before income tax	648	9,625	38,894	35,455
Adjustments for:				
Depreciation expense	2,017	1,712	7,701	6,874
Bad debts written off non-trade	-	-	-	8
Bad debts written off trade	16	-	16	-
Loss allowance for non-trade debts	372	-	372	-
Allowance of inventories obsolescence	291	1,088	972	1,611
Property, plant and equipment written off	61	-	61	32
Impairment of goodwill	1,127	990	1,127	990
Loss/ (gain) on disposal of property, plant and equipment	274	(200)	89	(264)
Interest income	(33)	(54)	(200)	(331)
Interest expense	170	156	597	964
Impairment of investment in an associate	5,900	-	5,900	-
Share of loss/ (profit) of associate	2,065	(635)	(89)	(2,574)
Unrealised foreign exchange loss	2,608	404	1,758	253
Operating cash flows before working capital changes	15,516	13,086	57,198	43,018
Changes in working capital:				
Trade receivables and other current assets	5,797	(1,772)	(2,308)	(9,057)
Inventories	(2,123)	5,148	(3,139)	17,104
Trade and other payables	5,767	238	6,756	4,876
Cash generated from operations	24,957	16,700	58,507	55,941
Income tax paid	(1,014)	(233)	(2,123)	(2,339)
Net cash generated from operating activities	23,943	16,467	56,384	53,602
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	49	211	241	2,021
Purchase of property, plant and equipment	(9,827)	(455)	(11,588)	(2,207)
Improvement to investment property	(50)	-	(66)	(43)
Net cash outflow on acquisition of subsidiary	-	-	-	28
Investment in associate	(667)	(300)	(1,774)	(7,322)
Interest received	33	54	200	331
Net cash used in investing activities	(10,462)	(490)	(12,987)	(7,192)
Cash flows from financing activities				
Proceeds from bank borrowings	9,492	2,700	16,904	42,247
Repayment of bank borrowings	(7,000)	-	(10,700)	(53,186)
Interest paid	(42)	(197)	(106)	(480)
	(7,042)	(197)	(10,806)	(53,666)
Dividends paid	(8,001)	(5,364)	(26,671)	(18,775)
Purchase of treasury shares	-	-	(1,919)	-
Repayment of lease liabilities	(140)	(129)	(512)	(463)
Placement of fixed deposit - restricted	-	-	-	(39,000)
Withdrawal of fixed deposit - restricted	-	-	-	39,000
Net cash used in financing activities	(5,691)	(2,990)	(23,004)	(30,657)
Net increase in cash and cash equivalents	7,790	12,987	20,393	15,753
Net effect of exchange rate changes	(1,736)	(452)	(970)	(315)
Cash and cash equivalents at beginning of the period	47,733	21,829	34,364	18,926
Cash and cash equivalents at end of the period	53,787	34,364	53,787	34,364

- 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-20 S\$'000	31-Dec-19 S\$'000	Change %	31-Dec-20 S\$'000	31-Dec-19 S\$'000	Change %
Net Profit for the period	1,040	9,326	-89%	36,293	33,214	9%
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	428	(73)	N.M	360	(86)	N.M
Total comprehensive income for the period	1,468	9,253	-84%	36,653	33,128	11%
Attributable to:						
Equity holders of the Company	1,448	9,055	-84%	36,611	33,416	10%
Non-controlling interests	20	198	-90%	42	(288)	N.M
	1,468	9,253	-84%	36,653	33,128	11%

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.

Group	Attributable to owners of the Company						
	Share Capital S\$'000	Treasury Shares S\$'000	Foreign Exchange	Retained Earnings S\$'000	Total S\$'000	Non-controlling	Total S\$'000
			Translation Reserve S\$'000			Interests S\$'000	
Balance at 1 January 2019	136,623	-	(10,683)	102,612	228,552	1,909	230,461
Adoption of SFRS(I) 16	-	-	-	72	72	-	72
Adjusted balance as at 1 January 2019	136,623	-	(10,683)	102,684	228,624	1,909	230,533
Changes in equity for first quarter							
Net profit for the period	-	-	-	6,977	6,977	(229)	6,748
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	278	-	278	23	301
Total comprehensive income for the quarter	-	-	278	6,977	7,255	(206)	7,049
Balance at 31 March 2019	136,623	-	(10,405)	109,661	235,879	1,703	237,582
Changes in equity for second quarter							
Net profit for the period	-	-	-	8,088	8,088	(145)	7,943
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(735)	-	(735)	(45)	(780)
Total comprehensive income for the quarter	-	-	(735)	8,088	7,353	(190)	7,163
Dividend paid	-	-	-	(10,729)	(10,729)	-	(10,729)
As at 30 June 2019	136,623	-	(11,140)	107,020	232,503	1,513	234,016
Changes in equity for third quarter							
Net profit for the period	-	-	-	9,175	9,175	(50)	9,125
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	506	-	506	(40)	466
Total comprehensive income for the quarter	-	-	506	9,175	9,681	(90)	9,591
Dividend paid	-	-	-	(2,682)	(2,682)	-	(2,682)
As at 30 September 2019	136,623	-	(10,634)	113,513	239,502	1,423	240,925
Changes in equity for fourth quarter							
Net profit for the period	-	-	-	9,244	9,244	82	9,326
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(189)	-	(189)	116	(73)
Total comprehensive income for the quarter	-	-	(189)	9,244	9,055	198	9,253
Dividend paid	-	-	-	(5,364)	(5,364)	-	(5,364)
Adoption of SFRS(I) 16	-	-	-	72	72	-	72
Acquisition of subsidiary with non-controlling	-	-	-	-	-	-	-
As at 31 December 2019	136,623	-	(10,823)	117,465	243,265	1,621	244,886

	Attributable to owners of the Company						
	Share Capital S\$'000	Treasury Shares S\$'000	Foreign	Retained Earnings S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total S\$'000
			Exchange Translation Reserve S\$'000				
Group							
Balance at 1 January 2020	136,623	-	(10,823)	117,465	243,265	1,621	244,886
Changes in equity for first quarter							
Net profit for the period	-	-	-	10,701	10,701	104	10,805
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	31	-	31	(244)	(213)
Total comprehensive income for the quarter	-	-	31	10,701	10,732	(140)	10,592
Purchase of treasury shares	-	(1,919)	-	-	(1,919)	-	(1,919)
Balance at 31 March 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,792)</u>	<u>128,166</u>	<u>252,078</u>	<u>1,481</u>	<u>253,559</u>
Changes in equity for second quarter							
Net profit for the period	-	-	-	11,568	11,568	(5)	11,563
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	(726)	-	(726)	100	(626)
Total comprehensive income for the quarter	-	-	(726)	11,568	10,842	95	10,937
As at 30 June 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(11,518)</u>	<u>139,734</u>	<u>262,920</u>	<u>1,576</u>	<u>264,496</u>
Changes in equity for third quarter							
Net profit for the period	-	-	-	12,942	12,942	(57)	12,885
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	647	-	647	124	771
Total comprehensive income for the quarter	-	-	647	12,942	13,589	67	13,656
Dividend paid	-	-	-	(18,670)	(18,670)	-	(18,670)
As at 30 September 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,871)</u>	<u>134,006</u>	<u>257,839</u>	<u>1,643</u>	<u>259,482</u>
Changes in equity for fourth quarter							
Net profit for the period	-	-	-	1,260	1,260	(220)	1,040
Other comprehensive income for the period- Exchange differences on translation of foreign operations	-	-	188	-	188	240	428
Total comprehensive income for the quarter	-	-	188	1,260	1,448	20	1,468
Dividend paid	-	-	-	(8,001)	(8,001)	-	(8,001)
As at 31 December 2020	<u>136,623</u>	<u>(1,919)</u>	<u>(10,683)</u>	<u>127,265</u>	<u>251,286</u>	<u>1,663</u>	<u>252,949</u>

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
Company				
Balance at 1 January 2019	136,623	-	68,649	205,272
Changes in equity for first quarter				
Net loss for the period	-	-	(1,034)	(1,034)
Total comprehensive expenses for the quarter	-	-	(1,034)	(1,034)
Balance at 31 March 2019	136,623	-	67,615	204,238
Changes in equity for second quarter				
Net profit for the period	-	-	3,171	3,171
Total comprehensive income for the quarter	-	-	3,171	3,171
Dividend paid	-	-	(10,729)	(10,729)
As at 30 June 2019	136,623	-	60,057	196,680
Changes in equity for third quarter				
Net profit for the period	-	-	(640)	(640)
Total comprehensive income for the quarter	-	-	(640)	(640)
Dividend paid	-	-	(2,682)	(2,682)
As at 30 September 2019	136,623	-	56,735	193,358
Changes in equity for fourth quarter				
Net profit for the period	-	-	21,432	21,432
Total comprehensive income for the quarter	-	-	21,432	21,432
Dividend paid	-	-	(5,364)	(5,364)
As at 31 December 2019	136,623	-	72,803	209,426

	Attributable to owners of the Company			
	Share Capital S\$'000	Treasury Shares S\$'000	Retained Earnings S\$'000	Total S\$'000
Company				
Balance at 1 January 2020	136,623	-	72,803	209,426
Changes in equity for first quarter				
Net loss for the period	-	-	(637)	(637)
Total comprehensive expenses for the quarter	-	-	(637)	(637)
Purchase of treasury shares	-	(1,919)	-	(1,919)
Balance at 31 March 2020	136,623	(1,919)	72,166	206,870
Changes in equity for second quarter				
Net profit for the period	-	-	11,944	11,944
Total comprehensive income for the quarter	-	-	11,944	11,944
As at 30 June 2020	136,623	(1,919)	84,110	218,814
Changes in equity for third quarter				
Net profit for the period	-	-	12,433	12,433
Total comprehensive income for the quarter	-	-	12,433	12,433
Dividend paid	-	-	(18,670)	(18,670)
As at 30 September 2020	136,623	(1,919)	77,873	212,577
Changes in equity for fourth quarter				
Net profit for the period	-	-	14,844	14,844
Total comprehensive income for the quarter	-	-	14,844	14,844
Dividend paid	-	-	(8,001)	(8,001)
As at 31 December 2020	136,623	(1,919)	84,716	219,420

- 1(e)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation 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 the number of shares that may be issued on conversion of all outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 ended 31 December 2019 to 31 December 2020.

Treasury Shares

During the year, the Company purchased 3,000,000 ordinary shares by way of open market acquisitions, all of which were held by the Company as treasury shares (31 December 2019: Nil).

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 2020 was 533,429,579 (31 December 2019: 536,429,579).

1(e)(iv) A statement showing all sales, transfers, cancellation and/ or use of treasury shares as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/ or use of treasury shares by the company during the fourth quarter ended 31 December 2020.

1(e)(v) A statement showing all sales, transfers, cancellation and/ or use of subsidiary holdings as at the end of the current financial period reported on.

There were no sales, transfers, cancellation and/ or use of subsidiary holdings as at 31 December 2020.

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.

3A Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion, (a) update on the efforts taken to resolve each outstanding audit issue, (b) confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019.

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 adoption of new and revised standards did not have substantial effect on the financial performance and position of the Group for the current financial year ended 31 December 2020.

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-20	31-Dec-19	31-Dec-20	31-Dec-19
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	0.24 cents	1.72 cents	6.83 cents	6.26 cents
- Weighted average number of shares (excluding treasury shares)	533,429,579	536,429,579	534,067,935	536,429,579
(b) On a fully diluted basis	0.24 cents	1.72 cents	6.83 cents	6.26 cents
- Weighted average number of shares (excluding treasury shares)	533,429,579	536,429,579	534,067,935	536,429,579

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-20	31-Dec-19	31-Dec-20	31-Dec-19
Net asset value per ordinary share based on total number of issued shares (excluding treasury shares)	47.11 cents	45.35 cents	41.13 cents	39.04 cents
Total number of issued shares (excluding treasury shares)	533,429,579	536,429,579	533,429,579	536,429,579

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 2020 vs 2019

	Group		
	Full Year Ended		
	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	153,022	120,696	27%
Others	11,416	11,216	2%
	164,438	131,912	25%
Geographical Regions			
Singapore	112,495	84,368	33%
United States of America ('US')	21,836	21,903	0%
Taiwan	24,232	20,727	17%
Malaysia	4,097	2,660	54%
Others	1,778	2,254	-21%
	164,438	131,912	25%

Revenue
4Q2020 vs 4Q2019

	Group		
	3 Months Ended		
	31-Dec-20	31-Dec-19	Change
	S\$'000	S\$'000	%
Business Segments			
Semiconductor (Semicon)	41,731	36,834	13%
Others	2,363	3,571	-34%
	44,094	40,405	9%
Geographical Regions			
Singapore	30,249	27,779	9%
United States of America ('US')	4,761	4,744	0%
Taiwan	7,497	5,605	34%
Malaysia	1,171	792	48%
Others	416	1,485	-72%
	44,094	40,405	9%

Revenue

4QFY2020

Group revenue continued to grow - rising by 9% year-on-year to S\$44.1 million in 4QFY2020 on the back of increased semiconductor segment demand. Semiconductor segment sales rose by 13%, driven by both higher Integrated System and component sales. Semiconductor Integrated System sales went up by 8% from S\$20.1 million in 4QFY2019 to S\$21.7 million in 4QFY2020. Component sales shot up by 20% to S\$20.0 million in 4QFY2020 from S\$16.7 million in 4QFY2019.

Sales in "Others" segment decrease by 34% due to lower revenue from its subsidiary - Kalf Engineering ("Kalf").

On a sequential basis, compared to 3QFY2020, Semiconductor segment sales remained relatively stable while the "Others" segment declined by 15% to S\$2.4 million.

Geographically, the Group's key markets except Others, remained robust. Malaysia surged 48% driven by higher material distribution sales, while Taiwan saw a 34% leap due to increased component spares sales. Singapore also rose 9% attributed by higher shipments of semiconductor Integrated System sales, while US remained stable. The Group's Others region saw a decline of 72%, mainly due to lower revenue from Kalf.

FY2020

The Group achieved record revenue in FY2020, surging 25% to S\$164.4 million compared to S\$131.9 million for FY2019 as the Group's core business segments reported significant growth. Sales in the Semiconductor segment surged 27% while its Others segment rose 2%. Revenue went up in all of the Group's key markets, except US which remained relatively stable and Others, which declined 21% due to lower revenue from Kalf. Strong demand for Semiconductor Integrated Systems drove Singapore sales up by 33% while sales in Malaysia and Taiwan climbed 54% and 17% respectively.

Profitability

4QFY2020

The Group registered a net profit attributable to shareholders of S\$1.3 million compared to S\$9.2 million in 4QFY2019. Although compared to 3QFY2020, the Group's 4QFY2020 gross material margin eased 1.8%, it rose to 53.5% from 51.1% in 4QFY2019.

The profit decline for 4QFY2020 was due to a one-off S\$7 million impairment of goodwill in its subsidiary Kalf and investment in associate company JEP Holdings Ltd ("JEP") as well as a S\$2.1 million share of loss in JEP. The loss in JEP was mainly attributed to a goodwill impairment of S\$6.25 million and the Group's share of the impairment loss was S\$2.5 million. Excluding these non-cash impairment items, the Group's net profit attributable to shareholders would have improved by 16% to S\$10.8 million.

The impairments, which were made after a review of the Group's investments included the write-off of the balance goodwill of S\$1.1 million in Kalf and a S\$5.9 million impairment in its investment in JEP. The JEP impairment was made in view of the near-term challenges facing the global aviation and aerospace business caused by the Covid-19 pandemic.

The Group's bottom line was also impacted by the continued softening of the US currency as well as higher depreciation expenses due to new machinery and additional factory space acquired by Starke Singapore ("Starke") during the quarter.

Due to overprovision of the Group's income tax in prior quarters, there was a modest gain in income tax of S\$0.4 million.

FY2020

The Group's net profit attributable to shareholders for the year rose 9% to S\$36.5 million.

Excluding the S\$7 million of impairments and S\$2.5 million share of goodwill impairment in JEP recorded in 4QFY2020, the Group would have achieved net profit attributable to shareholders of S\$46.0 million, a 37% surge from FY2019.

Gross material margin improved to 53.3% in FY2020 from 52.9% in FY2019.

The robust performance was fueled by higher semiconductor segment sales during the year.

Income tax went up 16% due to the Group's higher profit.

Cashflow

4QFY2020

The Group's financial position remains robust. It registered S\$23.9 million positive net cash from operating activities and S\$14.2 million free cash flow in 4QFY2020.

This was achieved despite additional investment of S\$9.8 million to grow the Group's footprint in Penang, Malaysia, the purchase of new equipment and additional factory space acquired by Starke, in anticipation of higher demand.

FY2020

In FY2020, the Group recorded net cash from operating activities of S\$56.4 million and free cash flow of S\$45.0 million. The S\$56.4 million annual net cash generated from operating activities is the highest on record.

Its net cash and cash equivalents (net of bank borrowings) improved to S\$38.1 million as at 31 December 2020 compared to S\$25.0 million as at 31 December 2019.

The Group's cash balance went up even after its increased investment of S\$1.8 million in JEP Holdings, share-buyback of S\$1.9 million and a dividend payment of S\$26.7 million to shareholders.

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 previous announcement made on 12 November 2020.

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 delivered a robust performance in FY2020 as it continued to benefit from the sustained global semiconductor demand. Despite significant impairment costs, the Group managed to outperform FY2019.

This demonstrates UMS's operational resilience and its ability to meet the surge in customer's demands in spite of unprecedented supply chain disruptions and factory lockdowns caused by the COVID 19 pandemic.

The impairment in JEP which is a non-cash accounting treatment was taken by the Group as a prudent measure against the current challenging business conditions affecting the aerospace industry. The Group is confident that aviation and aerospace demand in the longer term will recover when international travel resumes; and that the impairment in JEP will be written back.

Looking ahead, global chip demand is expected to stay strong.

According to World Semiconductor Trade Statistics, chip sales are expected to accelerate - growing 8.4%, to hit US\$469 billion in 2021¹. There have also been shortages due to the pandemic-fueled demand. Global chip demand for automotive electronics has been gaining momentum since 4QFY2020 and will continue to serve as a key growth driver as demand exceeds supply².

Similarly, in the medium term, SEMI forecasts, growth of global sales of semiconductor manufacturing equipment will carry on till 2022, reaching US\$76.1 billion³. While in the long term, according to Global Market Insights, the adoption of technologies such as, artificial intelligence (AI), IoT in fabrication and the constant use of advance chipsets in automotive and consumer electronics, will drive the demand for semiconductor manufacturing. This demand is expected to boost support for the semiconductor manufacturing equipment market and is projected to reach US\$80 billion by 2026⁴.

These positive figures bode well for the Group as it remains well positioned to capitalize on the industry's bright prospects.

To allow the Group greater financial flexibility in uncertain times, and to take advantage of new growth initiatives in the short-term, the Board has recommended moderating the dividend payout of 1 cent per share to shareholders for FY2020.

The Group's objective is to conserve cash to maintain a strong balance sheet in order to drive future business growth which could reap longer term returns to shareholders.

Barring any unforeseen circumstances, the Group will remain profitable in 2021.

[1Source: Semiconductor Industry Preps For Accelerating Growth In 2021: <https://www.investors.com/news/technology/semiconductor-industry-preps-for-accelerating-growth-2021/>]

[2Source: Passive components inventory low: <https://www.digitimes.com/news/a20201230VL201.html?mod=2>]

[3Source: Semiconductor Equipment Consensus Forecast –Record Growth Ahead, SEMI Reports: <https://www.prnewswire.com/news-releases/semiconductor-equipment-consensus-forecast--record-growth-ahead-semi-reports-301191048.html>]

[4Source: Semiconductor Manufacturing Equipment Market is Projected to Reach USD 80 billion by 2026: <https://www.semiconductor-digest.com/semiconductor-manufacturing-equipment-market-is-projected-to-reach-usd-80-billion-by-2026/>]

11 Dividend

(a) Current Financial Period Reported

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

Name of Dividend	Proposed Final Dividend
Dividend Type	Cash
Dividend Amount (SGD)	1.0 cent per ordinary share, (tax exempt one-tier)
Tax rate	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)	0.5 cent per ordinary share, (tax exempt one-tier)
Tax rate	Not applicable	Not applicable

(c) Date payable

The proposed Final Dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 21 May 2021.

(d) Record date

NOTICE IS HEREBY GIVEN THAT the Share Transfer Books and Register of Members of the Company will be closed on 5 May 2021, for the purpose of determining members' entitlements to the Final Dividend of 1.0 cent per ordinary share (tax-exempt one-tier) for the financial year ended 31 December 2020.

Duly completed registrable transfers received by the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. (F.K.A. RHT Corporate Advisory Pte. Ltd.), 30 Cecil Street #19-08 Prudential Tower Singapore 049712 up to the close of business at 5.00 p.m. on 4 May 2021 will be registered before entitlement to the Proposed Final Dividend is determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 4 May 2021 will be entitled to the Proposed Final 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 Dec 2020
Name of interested person	Nature of Relationship	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
Kalf Engineering Pte Ltd Interest expenses from Shareholders loan	Kalf Engineering Pte Ltd ("Kalf") is a company in which both executive directors Mr. Luong Andy and Mr. Stanley Loh Meng Chong have an interest. Transaction above is with Full City Investments Ltd in which Mr. Luong Andy is a director and shareholder. The aggregate value of Interested person transactions entered into between Kalf and Full City Investments Ltd for the period ended 31 December 2020 amounted to S\$238,000 which represents approximately 0.15% of the Group's latest audited net tangible assets as at 31 December 2019.	238
Sure Achieve Consultant Pte Ltd Consultancy Services charges and commission	Transaction above is with Sure Achieve Consultant Pte Ltd in which Mrs. Sylvia SY Lee Luong is a director and shareholder. She is the wife of the CEO of the Group, Mr. Luong Andy. The aggregate value of IPT entered into between the Group and Sure Achieve Consultant Pte Ltd for the period ended 31 December 2020 amounted to S\$1,782,000 which represents approximately 1.09% of the Group's latest audited net tangible assets as at 31 December 2019.	1,782

14 **Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

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

- 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>Semiconductor</u>		<u>Others</u>		<u>Total</u>	
	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000	2020 S\$'000	2019 S\$'000
Group						
Sales to external parties	153,022	120,696	11,416	11,216	164,438	131,912
Segment results	45,491	37,070	(6,597)	(1,615)	38,894	35,455
Material non-cash items include:						
Depreciation expense	7,311	6,492	390	382	7,701	6,874
Impairment of investment in an Associate	-	-	5,900	-	5,900	-
Bad debts written off trade	16	-	-	-	16	-
Bad debts written off non-trade	-	-	-	8	-	8
Impairment of Goodwill	-	-	1,127	990	1,127	990
Loss of allowance for non-trade debts	-	-	372	-	372	-
Property, plant and equipment written off	45	32	16	-	61	32
Loss/ (gain) on disposal of Property, plant and equipment	89	(264)	-	-	89	(264)
Allowance for inventories obsolescence, net	970	1,611	2	-	972	1,611
Total assets	500,416	484,348	34,983	23,772	535,399	508,120
Total assets includes:						
Additions to property, plant and equipment	8,131	2,113	3,457	94	11,588	2,207
Improvement to investment property	66	43	-	-	66	43
Total liabilities	116,960	111,129	20,924	17,131	137,884	128,260

Geographical Segments

	Singapore		USA		Taiwan		Malaysia		Others		Total	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Group												
Total sales to external parties	112,495	84,368	21,836	21,903	24,232	20,727	4,097	2,660	1,778	2,254	164,438	131,912
Other geographical information:												
Non-current assets:												
Property, plant and equipment	16,160	15,276	75	64	-	-	40,083	36,967	-	-	56,318	52,307
Investment property	1,748	1,832	-	-	-	-	-	-	-	-	1,748	1,832
Goodwill	79,159	80,287	-	-	-	-	924	924	-	-	80,083	81,211
	<u>97,067</u>	<u>97,395</u>	<u>75</u>	<u>64</u>	<u>-</u>	<u>-</u>	<u>41,007</u>	<u>37,891</u>	<u>-</u>	<u>-</u>	<u>138,149</u>	<u>135,350</u>

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

	Group	
	2020	2019
	S\$'000	S\$'000
Total asset for reportable segments	535,399	508,120
Elimination of inter-segment assets	(225,862)	(220,907)
Total assets	<u>309,537</u>	<u>287,213</u>

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

	Group	
	2020	2019
	S\$'000	S\$'000
Total liabilities for reportable segments	151,075	128,260
Elimination of inter-segment liabilities	(94,487)	(85,933)
Total liabilities	<u>56,588</u>	<u>42,327</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:

	Group		
	2020	2019	Change
	S\$'000	S\$'000	%
(a) Sales reported for first half	75,192	58,580	28%
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	22,368	14,763	52%
(c) Sales reported for second half	89,246	73,332	22%
(d) Operating profit after tax before deducting non-controlling interests reported for second half year	13,925	18,451	-25%

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

	2020	2019
Ordinary	S\$'000	S\$'000
Interim Dividend	13,335	8,046
Final Dividend	5,334	10,669
Special Dividend	-	2,667
Total	18,669	21,382

The Final Dividend and Special Dividend for FY2019 were approved at the Annual General Meeting of the Company on 23 Jun 2020 and paid on 10 Jul 2020. The proposed Final Dividend for FY2020, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 21 May 2021.

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 related to a director, chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Luong Andy
Chief Executive Officer

25 February 2021